

# 2010

## Analysis of Impediments to Fair Housing Choice





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## **EXECUTIVE SUMMARY**

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### **BACKGROUND**

The City of Grand Rapids Community Development Department conducted this Analysis of Impediments to Fair Housing Choice (AI). City staff, interns, community agencies, and community members contributed to the study. To complete the study, the City conducted primary and secondary research, while drawing on the 2006 Analysis of Impediments. Community Development Block Grant administration funds and the City of Grand Rapids General Operating Fund covered costs associated with preparation of the study.

### **OVERVIEW**

The Grand Rapids population is primarily White, with African Americans and Hispanics making up the largest minority groups. Over the last twenty years, the minority population increased significantly, with the greatest gain seen in the Hispanic population. The Grand Rapids Public Schools indicates 49 non-English languages were spoken by its students. The city is young, with over two thirds of the population under age 45. Average family size is small at about 3 people. Nearly 11% of city residents have a disability; almost 63% of these residents are under age 65.

Unemployment has risen since 1999, and rates are higher among African Americans and Hispanics than Whites. Median household income has increased 5%, and Asians and Whites earn the most. Regardless of educational attainment, men earn higher median income than women with widening gaps at the bachelor's and graduate degree levels. Poverty rates are highest among African Americans as well as single-mother families. African Americans and Hispanics in Grand Rapids have less education, lower incomes, higher unemployment rates, and higher proportions of renters than Whites. They are also concentrated in areas of the center city.

Most housing in Grand Rapids is single-family detached and aging, with 40% built before World War II. Since 2004, 15% of all city homes have been foreclosed, with the largest concentration in the central city area. Data sources indicate overcrowding is not a problem; however, anecdotal stories from homeless service and shelter providers indicate that "doubling up" is a significant problem. Many owners and even more renters are cost burdened. It can be very difficult for low- and moderate-income people to find suitable affordable housing.

Fair housing complaints occur more in rental than ownership circumstances and often allege familial status, race, source of income, gender, and disability status discrimination. Community perceptions of impediments to fair housing choice are wide ranging and often blur affordable housing with fair housing. Much that emerged about affordable housing barriers, including transportation and economic conditions, is addressed in the FY 2012 – FY 2016 Consolidated Housing and Community Development Plan rather than this document.

### **IDENTIFIED IMPEDIMENTS TO FAIR HOUSING CHOICE**

The following impediments to fair housing choice were identified as a result of this study:

- Inability to successfully prosecute violations of the local fair housing ordinance.
- Lack of education and awareness of fair housing laws.
- Language barriers for non-English speaking populations.
- Limited minority access to credit from prime lenders.
- Limited supply of accessible housing.
- Funding for fair housing activities.

## **RECOMMENDATIONS TO ADDRESS IMPEDIMENTS**

The following recommendations are offered to address the identified impediments:

- Review the existing local Fair Housing Ordinance enforcement issue to determine if there is another legal method to enforce the intent of the ordinance.
- Develop different types of educational approaches to provide the most favorable outcomes, including continuing education on fair housing topics to industry professionals, a web-based “fair housing school,” printed materials, and other creative outreach methods for a variety of audiences.
- Use the City’s rental property registration program and/or other creative methods to identify new landlords and offer them fair housing training.
- Expand and target interpretation and translation services to real estate transactions where the renter or buyer is non-English speaking. Train interpreters in real estate and fair housing laws to ensure information is accurately exchanged between the parties to the transaction.
- Develop an outreach and education strategy targeting local lenders, coupled with a follow-up program of testing and enforcement, to enable minorities to gain greater access to conventional mortgages and reduce the use of subprime credit.
- Adopt “visitability” standards for federally funded housing development projects, and develop a plan for implementation of universal design standards in a portion of housing units built or substantially rehabilitated with federal housing funds. Encourage the use of universal design principles in private housing development.
- Sustain fair housing activities, and secure increased funding for education and outreach activities, and fair housing work outside the Community Development General Target Area (GTA). Advocate for change to the federal CDBG regulations so fair housing activities are not limited due to funding caps.

## **SECTION I. INTRODUCTION**

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### **WHY ASSESS FAIR HOUSING?**

The City of Grand Rapids is an entitlement community that receives federal funding directly from the U.S. Department of Housing and Urban Development (HUD) for housing and community development activities. HUD's Consolidated Plan regulation (24 CFR 91) requires the City to certify that it is affirmatively furthering fair housing, which means the City must:

1. Conduct an analysis to identify impediments to fair housing choice within the jurisdiction.
2. Take appropriate actions to overcome the effects of any impediments identified through the analysis.
3. Maintain records reflecting the analysis and actions taken in the regard.

Failure to comply with this or other regulatory requirements can jeopardize the City's participation in future federal Community Development Block Grant programs, resulting in the loss of funding for local fair housing and other important community development programs. HUD suggests the City update its Analysis of Impediments to Fair Housing Choice (AI) once every five years, consistent with the Consolidated Plan cycle.

### **LEGAL FRAMEWORK**

Federal, state, and local laws protect fair housing rights by prohibiting discrimination on the basis of certain characteristics. Enforcement of these laws is available through administrative procedures offered by HUD, or by individual action through federal district or state circuit courts, or by the Attorney General of the United States. The laws most directly affecting fair housing as defined for purposes of this analysis are:

- U.S. Civil Rights Act of 1968, Title VIII (known as the Fair Housing Act)
- U.S. Fair Housing Amendments Act of 1988
- State of Michigan Elliott Larsen Civil Rights Act (PA 453)
- State of Michigan Persons with Disabilities Civil Rights Act (PA 220)
- City of Grand Rapids Fair Housing Ordinance

It is illegal to discriminate against people in housing transactions (including the purchase, rental/lease, financing, advertising or insuring of residential property) based upon the characteristics identified in Table 1.1.

Table 1.1 Protected Classes	
Authority	Protected Classes
<b>Federal</b>	Race Color Religion Sex National origin Disability Familial status
<b>State</b>	Age Marital status
<b>City</b>	Source of lawful income Receipt of public assistance (e.g.: Section 8) Sexual orientation

With regard to disability, Michigan's law sets a higher standard of accommodation than the federal act. State law has been interpreted to support the obligation of a landlord to reasonably modify property or otherwise reasonably accommodate a potential tenant, unless such action imposes an undue hardship on the owner. State law also makes it unlawful to discriminate when providing financial assistance or financing, or to use a discriminatory application form in connection with a housing transaction (including construction, rehabilitation, repair, maintenance or improvement of housing).

## COMMITMENT TO FAIR HOUSING

The City of Grand Rapids has codified its commitment to fair housing. Excerpted from the City Code, Chapter 160 Discrimination in Real Property Transactions:

### Sec. 9.362. Policy.

It is hereby declared to be the policy of the City of Grand Rapids, in the exercise of its police power for the protection of the public health, safety and general welfare, for the maintenance of business and good government, and for the promotion of the City's trade, commerce and manufacture, to assure equal opportunity to all persons to live in adequate housing facilities regardless of race, color, religion, ancestry or national origin, age, sex, marital status, familial status, handicapped status, source of lawful income, or public assistance recipient status, and to that end, prohibit discrimination in housing.

Excerpted from the City Code, Article 3. Community Relations Commission:

### Sec. 1.341. Statement of Public Policy and Finding of Necessity.

It is hereby declared to be contrary to the public policy of the City of Grand Rapids for any person to deny any other person the enjoyment of his or her civil rights or for any persons to discriminate against any other person in the exercise of his or her civil rights because of race, color, creed, national origin, ancestry, age, sex, marital status, disability, or gender orientation.

Sec. 1.347. Civil Rights Defined.

HOUSING - The opportunity to purchase, lease, sell, hold, use and convey dwelling housing or dwelling units without discrimination because of race, color, creed, national origin, ancestry, age, sex, marital status, familial status, disability, source of lawful income, public assistance recipient status or gender orientation is hereby recognized and declared to be a civil right. It shall not be a violation of this section for the owner of an owner-occupied one family or two family dwelling to restrict occupancy.

## RESEARCH METHODOLOGY

The following research methods were used in the preparation of this report.

**Secondary Research.** Researchers used the U.S. Decennial Census, U.S. Census Bureau American Community Surveys, U.S. Census Bureau Population Estimates Program, Home Mortgage Disclosure Act Data available from PolicyMap, fair housing compliance data, the prior Analysis of Impediments, and various individual studies.

American Community Surveys began in 2005 as census supplements to provide more up-to-date information. They provide estimates rather than counts and are less accurate due to smaller sample size. Since detailed 2010 census data is not yet available, the American Community Survey is used to obtain the best possible view of the current environment. In some cases, the U.S. Census Bureau's Population Estimates Program is used instead of the American Community Survey because it is the official estimate of population.

**Primary Research.** In 2008, approximately 125 organizations and individuals were invited to participate in roundtable discussions to identify impediments to fair housing choice in Grand Rapids and strategies to combat the impediments. Government, education, foundations, associations, lenders, rental property managers, Realtors®, developers, and nonprofit housing and service providers were invited. These people and organizations were chosen based on their knowledge and involvement in housing matters in the area and efforts were made to include representatives of the various protected classes. Two meetings were held at the Fair Housing Center of West Michigan, with attendance at 14 and 28 respectively. Prior to the start of each session, participants were asked to read and sign a consent form. On this form, they could notify staff if they wanted to participate in an electronic survey. In 2009, an electronic survey was released to those roundtable participants who expressed interest as well as to those invitees who did not attend the roundtable discussions. Forty-one (41) people responded to the survey.

City staff also analyzed newspaper and internet advertising to determine compliance with advertisement guidelines.

## SECTION II. BACKGROUND DATA

### INTRODUCTION

The city of Grand Rapids is located in the western lower peninsula of Michigan. During the 1990s, West Michigan grew faster (growth rate: 16%) than the remainder of Michigan (6%), and the remainder of the United States (13%). The areas of highest population growth were those surrounding the city of Grand Rapids, and in a southwest line from Grand Rapids to Holland, roughly following the I-196 highway. In 2010, the Grand Rapids – Wyoming Metropolitan Statistical Area (MSA), consisting of Barry, Ionia, Kent and Newaygo counties, had an estimated population of 774,160.

**Map 2.1 Grand Rapids Vicinity, 2010**

*Source: Michigan Department of Transportation*



## POPULATION CHARACTERISTICS

Grand Rapids has experienced many of the same demographic changes as other communities in Michigan over the last several decades. During the last 30 years, the city, county, and state all saw the greatest population growth during the 1990s. From 1980 to 2000, the Grand Rapids population increased 8.8%. However, between 2000 and 2010 the population declined by nearly 5%.

<b>Table 2.1 Population Change</b>					
	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>% change 1980-2010</b>
<b>Grand Rapids</b>	181,876	188,334	197,801	188,040	3.28%
<b>Kent County</b>	444,504	500,636	574,335	602,622	26.24%
<b>State</b>	9,262,078	9,295,297	9,938,444	9,883,640	6.29%
<b>Source: U.S. Census Bureau; U.S. Census Population Estimates Program; Michigan Department of Technology, Management &amp; Budget; State 1980 data: Library of Michigan History, Arts and Libraries</b>					

### AGE AND SEX

According to the 2000 Census, the population of Grand Rapids was relatively young with about 61% of the population under age 45. By 2008, that percentage increased to about 68%.<sup>1</sup> Children (0-19) composed 29% of the population; college-age young adults (20-24) composed 9%; adults (25-44) composed 30%; older adults (45-64) composed 21%; and elderly (65+) composed 11% of the population.<sup>2</sup>

Notwithstanding this youthful trend, it is worth noting the U.S. population is aging. In 2005, Grand Valley State University's Community Research Institute (CRI) reported that 10% of Kent County residents were 65 or older.<sup>3</sup> CRI suggests the number of Kent County elderly will double before 2035.

Men (49%) and women (51%) are nearly evenly split among the population.<sup>4</sup>

### FAMILIAL / MARITAL STATUS / GENDER ORIENTATION

"Household" refers to all the people living in a housing unit. "Family" refers to a group of people living together who are related by birth, marriage, or adoption.

According to 2006 - 2008 American Community Survey estimates, 59% of the population over 15 years of age was single. There were 71,721 households and 42,399 families in the city. The average household size was 2.49 and the average family size was 3.17. There were 24,134 families with related children under age 18. Of these families, 12,930 were married-couple families and 11,204 were single-parent families. According to estimates of unmarried-partner households, about 860 are comprised of same sex partners, representing about 1.2% of city households.

## RACE AND ETHNICITY

In the federal statistical system, race is a separate concept from ethnic origin. The main categories for race are:

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White

People of Hispanic origin may be of any race. These standards became effective in October 1997.<sup>5</sup>

<b>Table 2.2</b> <b>Population and Race/Ethnicity</b> <b>Comparison of 2000 Census and 2005-09 American Community Survey Estimates</b>				
	<b>2000 Census</b>		<b>2005-2009 ACS</b>	
White	133,116	67.20%	131,313	68.00%
Black or African American	40,373	20.40%	38,952	20.20%
American Indian	1,454	0.70%	1,083	0.60%
Asian	3,195	1.60%	2,987	1.50%
Pacific Islander	238	0.10%	295	0.20%
Some Other Race	13,115	6.60%	13,157	6.80%
Two or More Races	6,309	3.20%	2,504	1.30%
<b>Total</b>	<b>197,800</b>	<b>100%</b>	<b>193,242</b>	<b>100%</b>
Hispanic	25,983	13.10%	31,285	16.20%
<b>Source: 2000 Census, 2005-09 American Community Survey Estimates for Grand Rapids, MI</b>				

The largest minority populations within the city are Black/African American and Hispanic/Latino. Table 2.3 shows trends for the three largest groups in Grand Rapids and Kent County since 1970. The outward movement of the city's White population mostly occurred in the 1970s. Growth of the largest minority groups occurred at significant rates in both the urban center and outlying areas of the county.

<b>Table 2.3</b> <b>Grand Rapids Population by Major Racial/Ethnic Group</b> <b>1970-2009</b>						
<b>Group</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2009</b>	<b>% Change 1970-2009</b>
<b>Grand Rapids</b>						
White	173,633	147,332	144,464	133,116	136,875	-21%
Black/African American	22,302	28,474	35,073	40,373	37,657	69%
Hispanic/Latino	2,910	5,729	9,394	25,818	36,500	1,154%
<b>Kent County</b>						
White	385,977	403,517	444,112	477,421	509,060	32%
Black/African American	23,065	31,453	40,314	51,287	54,052	134%
Hispanic/Latino	4,503	8,738	14,684	40,183	57,972	1,187%
<b>Source: GR Community Development Department Summary 12/04; U.S. Census Bureau, Census, Population  Estimates Program; 2009 American Community Survey</b>						

## NATIONAL ORIGIN

About 12% of the city's population was born outside the United States or its territories (21,985 people).<sup>6</sup> Foreign-born Grand Rapids Public School (GRPS) students came most frequently from Mexico, Guatemala, Kenya, and the Dominican Republic. In the 2009-2010 school year, 49 non-English languages were spoken by GRPS students. The primary language of 86% of these students was Spanish. The next three most common non-English languages were Vietnamese, Somali, and Maay.<sup>7</sup>

According to estimates of city residents ages five and older, 9,441 Spanish-speaking people could not speak English well or at all, while 340 people speaking an Other Indo-European language, 414 people speaking an Asian/Pacific Island language, and 423 people speaking some Other language could not speak English well or at all.<sup>8</sup>

<b>Table 2.4</b> <b>Language Spoken at Home in Grand Rapids</b> <b>Population 5+ Years</b>		
	<b>Number</b>	<b>Percent</b>
English only	141,574	82%
Spanish	24,593	14%
Other Indo-European languages	3,265	2%
Asian and Pacific Islander languages	1,641	1%
Other languages	1,886	1%
<b>Source: U.S. Census Bureau, 2006-08 American Community Survey</b>		

## DISABILITY STATUS

The U.S. Census Bureau defines disability as a long-lasting sensory, physical, mental, or emotional condition(s) that makes it difficult for a person to do functional or participatory activities, such as seeing, hearing, walking, climbing stairs, learning, remembering, concentrating, dressing, bathing, going outside the home, or working at a job. In 2008, an estimated 11% (20,660) of Grand Rapids' non-institutionalized residents had a disability. Of this population with a disability, nearly 63% (12,992) were under age 65, suggesting a market for accessible housing sized for families. The American Community Survey did not estimate people with disabilities by race/ethnicity in a manner consistent with the 2000 Census and, therefore, it is not possible to accurately compare the trend. However, if 2000 Census proportions remained the same in 2008, the largest percentage of group members with a disability were American Indian/Alaska Native.

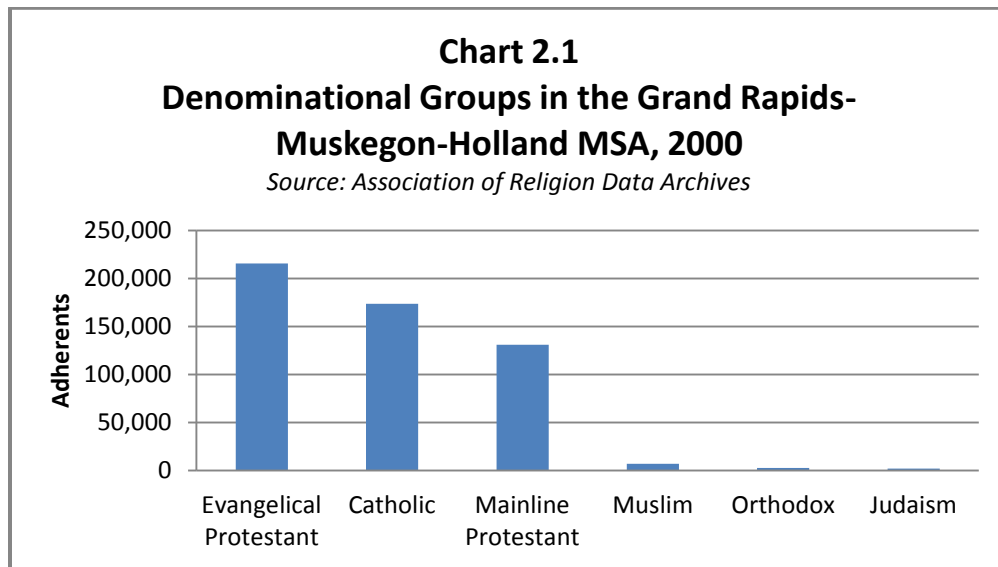
<b>Table 2.5</b>			
<b>People with Disabilities in Grand Rapids</b>			
	<b>Under 18</b>	<b>18 to 64</b>	<b>65 and over</b>
% of Total Population	1%	6%	4%
% of Age Group	4%	9%	39%
% of Population with Disabilities	9%	53%	37%
<b>Source: U.S. Census Bureau, 2008 American Community Survey</b>			

<b>Table 2.6</b>			
<b>People with Disabilities in Grand Rapids by Race/Ethnicity</b>			
	<b>Total</b>	<b>Number Disabled</b>	<b>Percent Disabled</b>
White Alone	114,245	12,279	10.75%
Black/African American	36,158	6,681	18.48%
Two or More Races	6,319	511	8.09%
Some Other Race	11,216	345	3.08%
Hispanic/Latino	25,611	1,057	4.13%
<b>Total</b>	<b>167,938</b>	<b>19,816</b>	<b>11.80%</b>
<b>Source: U.S. Census Bureau, 2008 American Community Survey</b>			

## RELIGION

Public Law 94-521 prohibits the U.S. Census Bureau from asking questions about religious affiliation on a mandatory basis, therefore, the Bureau of the Census is not the source for information on religion.

Year 2000 data on religions were collected by the Association of Statisticians of American Religious Bodies and included statistics for 149 religious groups.<sup>9</sup> Congregational "adherents" included all full members, their children, and others who regularly attend services. The data are limited because historically African American denominations were not included in the 2000 congregation and membership totals. In Grand Rapids, Christianity is the major religious group.



#### **SOURCE OF LAWFUL INCOME AND RECEIPT OF PUBLIC ASSISTANCE**

The City of Grand Rapids ordinance regarding discrimination in real property transactions prohibits discrimination based on lawful source of income, which is defined as consistent income derived from wages, social security, supplemental security income, all forms of federal, state or local assistance payments or subsidies, Section 8 assistance, child support, alimony and public assistance which can be verified and substantiated.

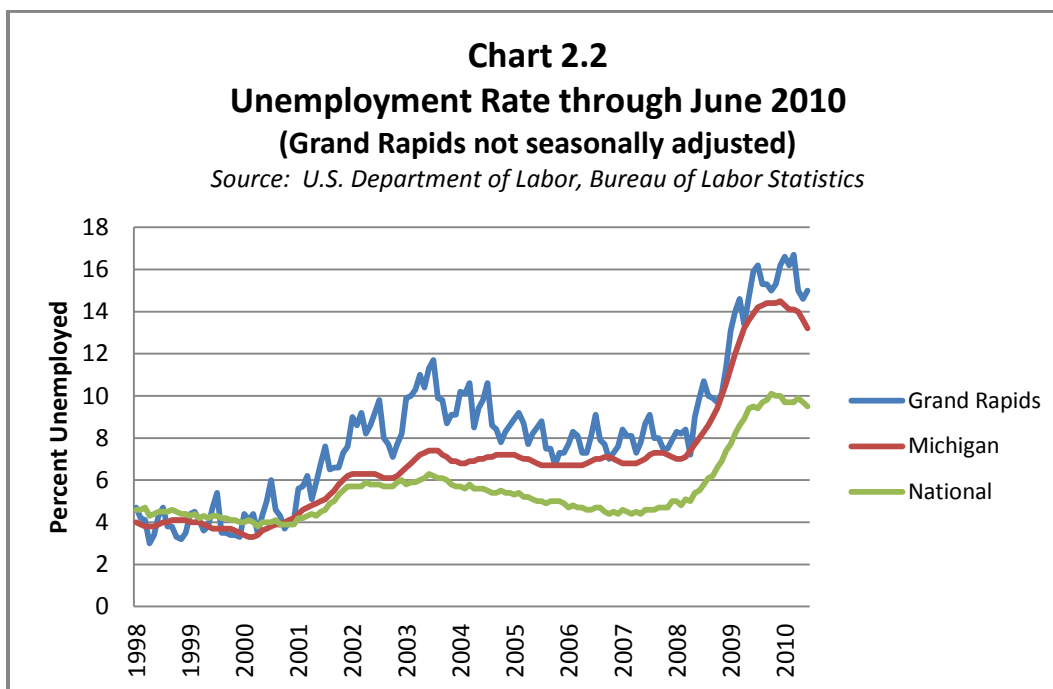
<b>Table 2.7</b>		
<b>Source of Household Income in Grand Rapids</b>		
<b>Source</b>	<b>Households</b>	<b>% of Households</b>
Earnings	57,738	81%
Social Security	16,366	23%
Food Stamp benefits in the past 12 months	12,397	17%
Retirement income	9,777	14%
Cash public assistance income	4,162	6%
Supplemental Security Income	3,499	5%
<b>Source: U.S. Census Bureau, 2006-2008 American Community Survey</b>		

## ECONOMICS

Personal finances directly affect residents' ability to obtain housing, whether rental or homeownership. Both educational attainment and the job market are factors that influence financial security.

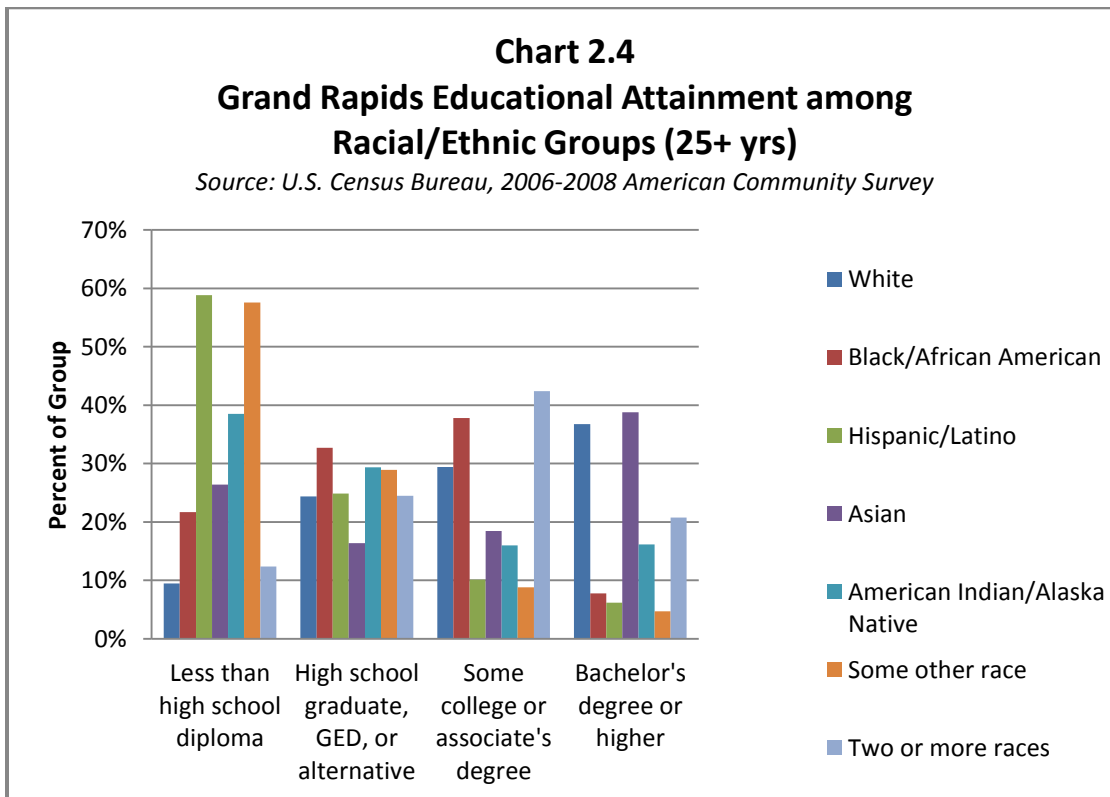
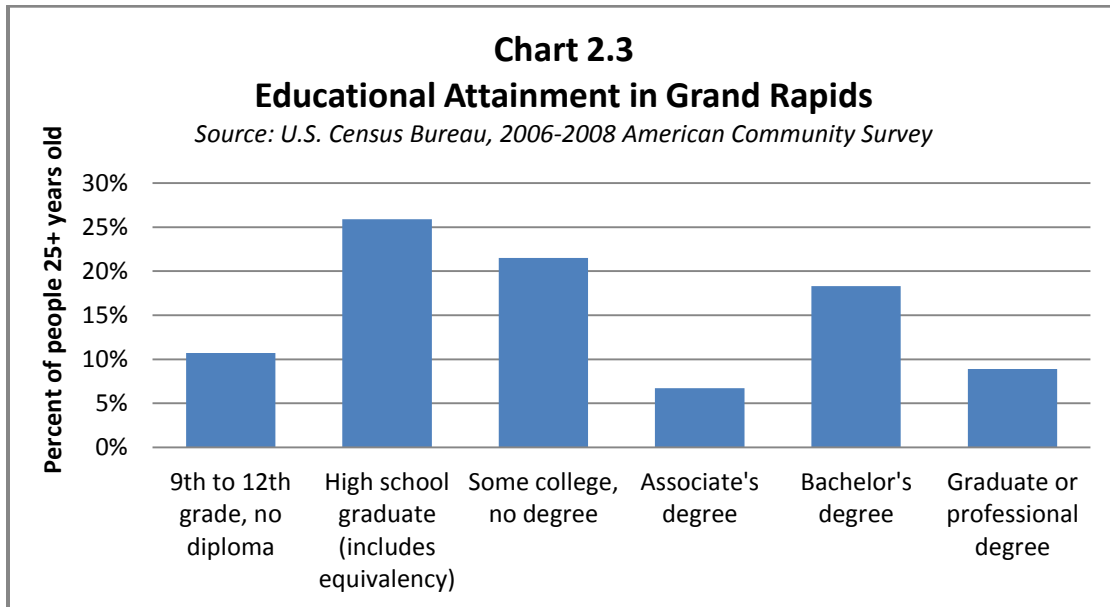
### CONTEXT

Michigan has not fully recovered from the 2001 recession. The state's seasonally adjusted monthly unemployment rate has consistently exceeded the national rate since September 2000, with a wide distancing starting in 2003.<sup>10</sup> From the end of 2001 through July 2007, the state's job growth was the worst in the nation at -4.6%.<sup>11</sup> This is due in large part to the state's concentration in manufacturing. In 2009, Michigan had the highest unemployment rate in the nation at 13.6%.<sup>12</sup>



## EDUCATIONAL ATTAINMENT

Educational attainment directly affects household finances. In 2008, an estimated 116,749 people were 25 years and over. About 27% had a bachelor's degree or higher. More Asians and Whites attained the highest levels of education than other races/ethnicities.



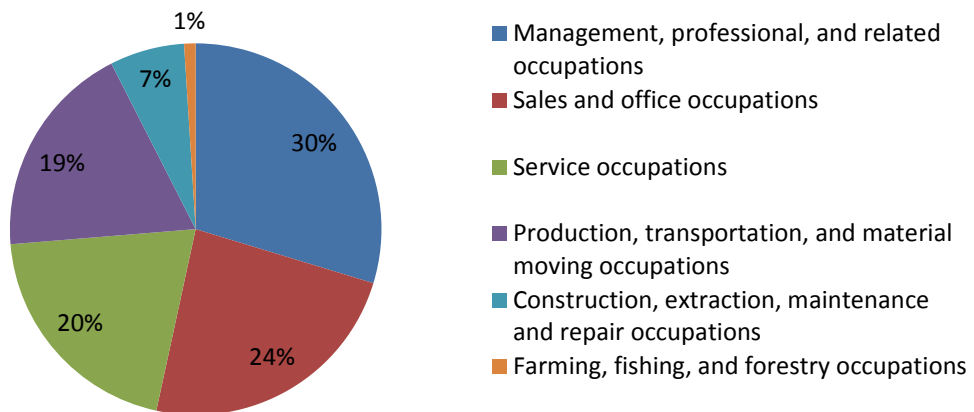
## LABOR MARKET

Private wage/salary workers make up the majority in the city (88%). The remaining workers are in government positions (7%) and self-employed (5%).<sup>13</sup> Many people continue to be employed in manufacturing. However, the region is investing in a knowledge-based economy. In recent years, Grand Rapids has worked to diversify its economy by increasing jobs in health care and education, many of which require college education.

**Chart 2.5**

### Occupational Employment in Grand Rapids

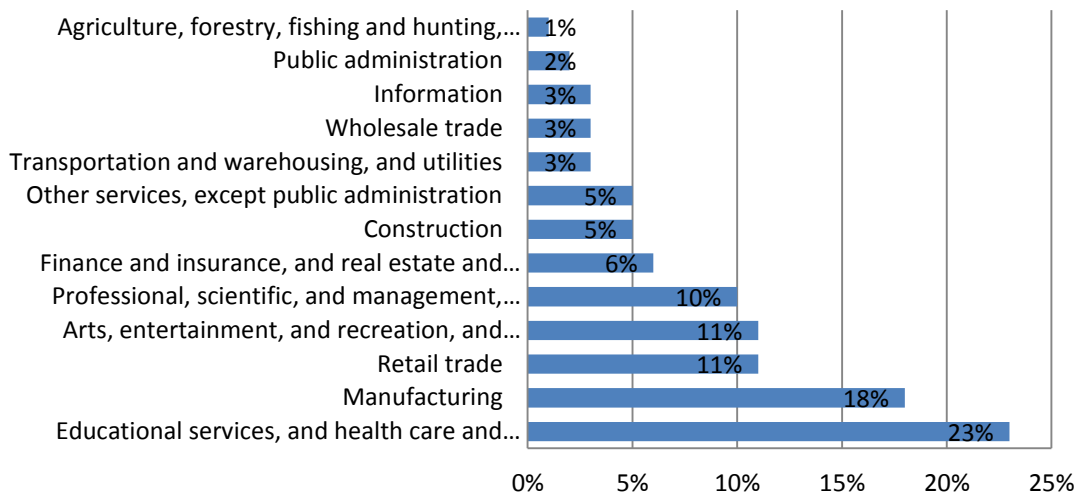
Source: U.S. Census Bureau, 2006-2008 American Community Survey



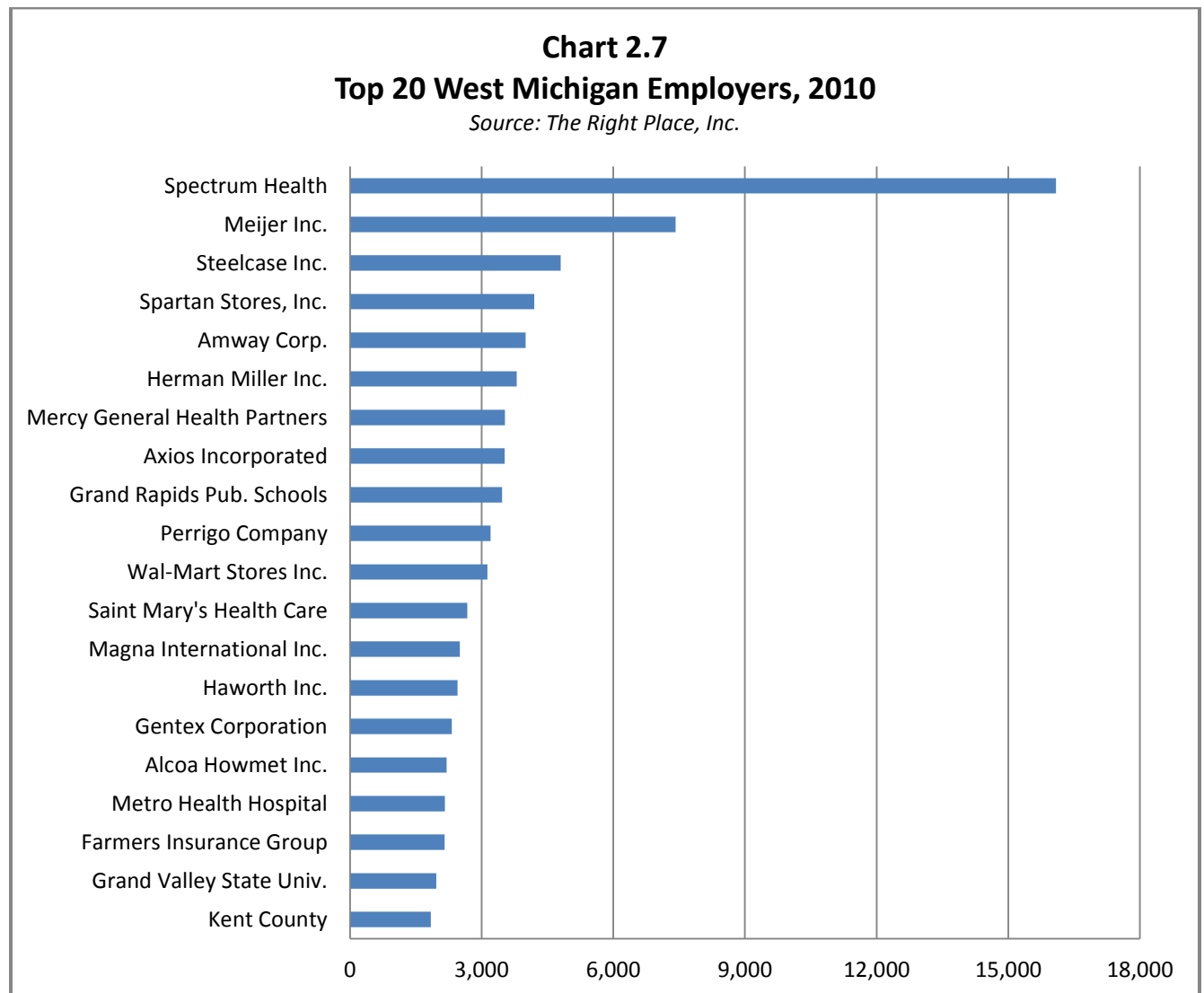
**Chart 2.6**

### Civilian Employment by Industry in Grand Rapids

Source: U.S. Census Bureau, 2006-2008 American Community Survey



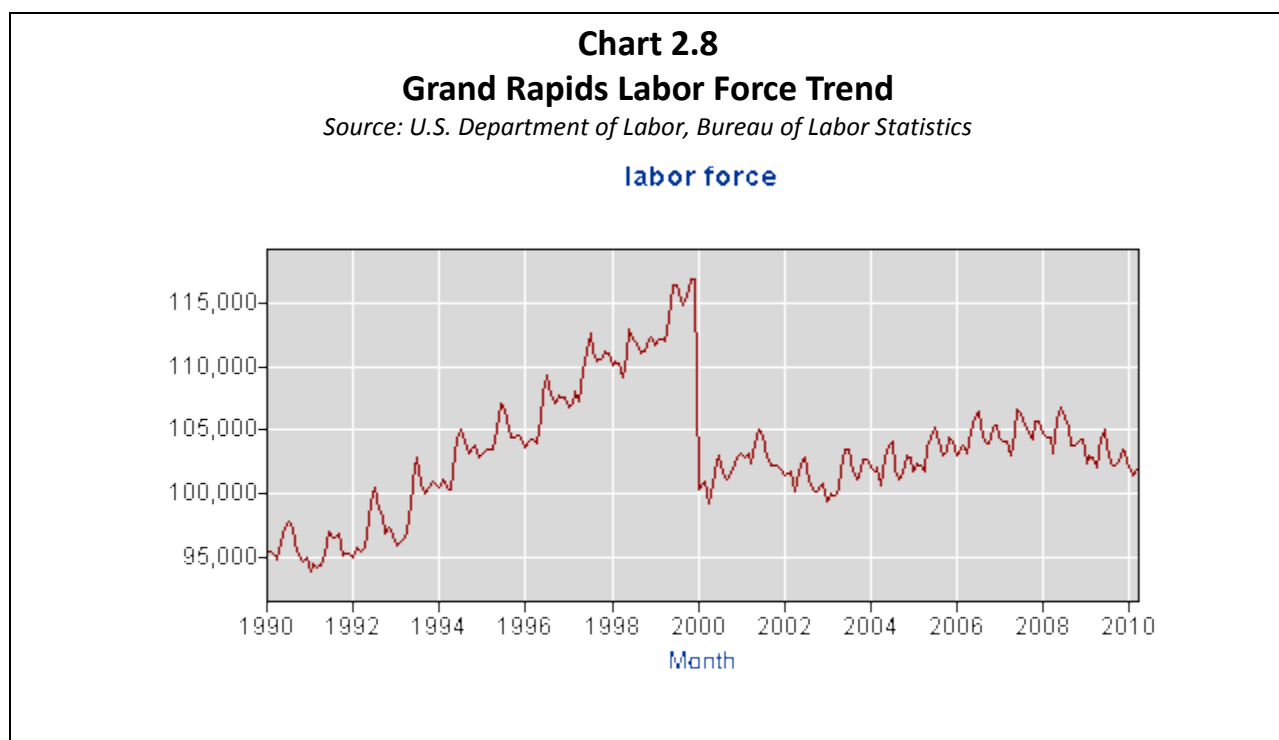
The largest employer in West Michigan is Spectrum Health, the largest health care system in West Michigan. Second largest is Meijer, a regional grocery and general merchandise store based a few miles from Grand Rapids. Third is Steelcase, a global furniture manufacturer. Fourth is Spartan Stores, a regional grocery and drugstore company based in Grand Rapids. Fifth is Amway Corp., a global personal care, cosmetics, cleaning, and nutritional products company. (Data drawn from the seven-county Grand Rapids Combined Statistical Area.)



## LABOR FORCE AND UNEMPLOYMENT

The labor force is defined as those people who are working or looking for work. In 2009, the City of Grand Rapids had an estimated 103,112 people in the labor force (not seasonally adjusted).<sup>14</sup> That is a 10% drop since 1999. Factors contributing to this decline may include population loss through out-migration due to lack of jobs, and people who are not counted in the labor force because they could not find jobs and have given up looking.

In 2008, 32% of the Grand Rapids population (16 years and over) was not in the labor force at all.<sup>15</sup> Some people do not participate in the labor force for reasons including full-time school enrollment, not working in order to care for families, or being unable to find work. These people would not be included in the labor force counts because they are not looking for work.

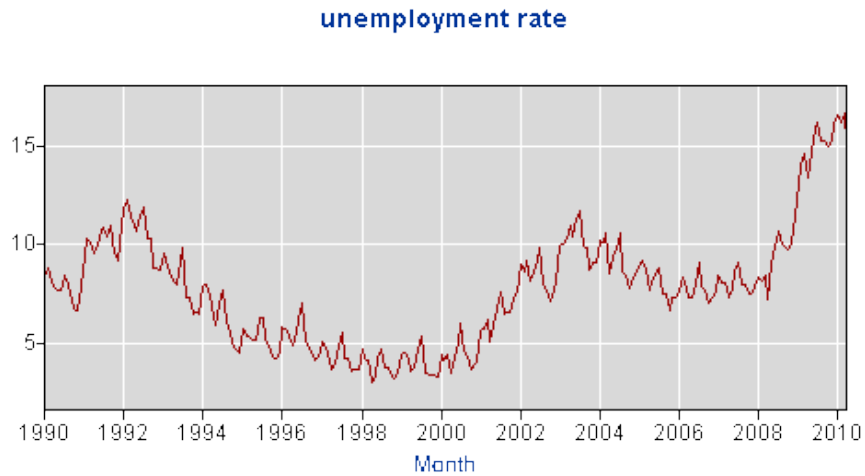


People are classified as unemployed if they do not have jobs, they have actively looked for work in the last four weeks, and they are currently available for work. In 2009, the city's unemployment rate was 15%.<sup>16</sup> An estimated 15,381 people in Grand Rapids were unemployed, which represented a 339% increase since 1999. Unemployment rates are much higher for Black/African Americans and Hispanic/Latinos than for Whites.

### Chart 2.9

#### Grand Rapids Unemployment Trend (population in thousands)

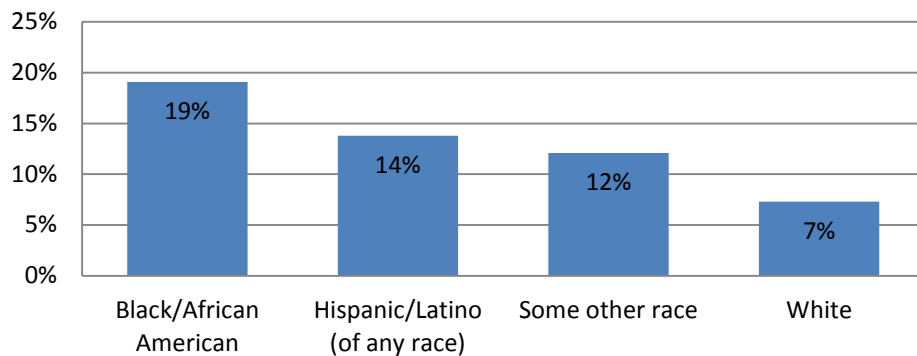
Source: U.S. Department of Labor, Bureau of Labor Statistics



### Chart 2.10

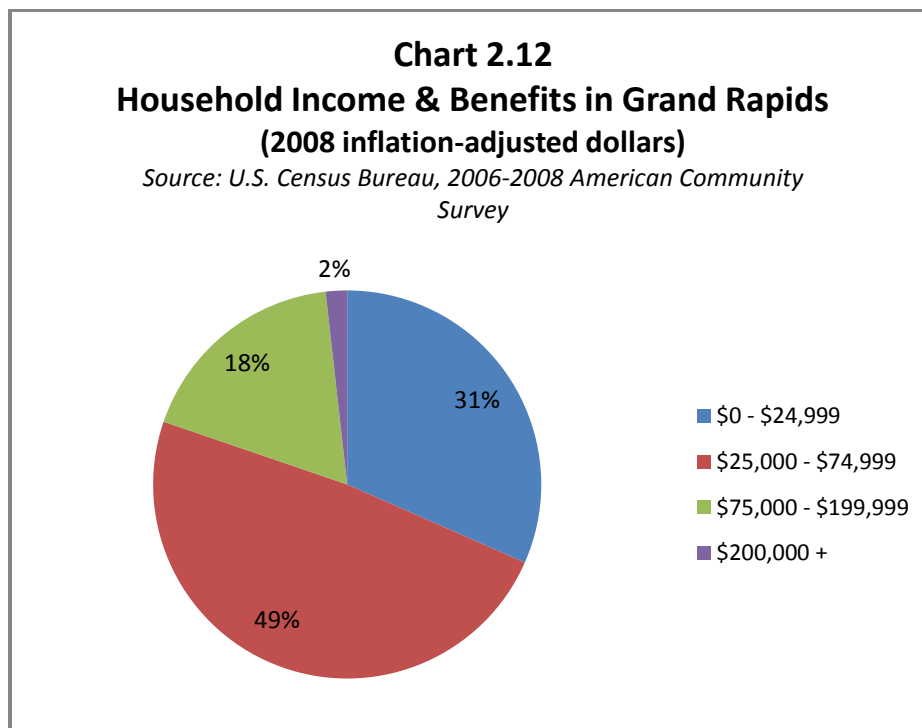
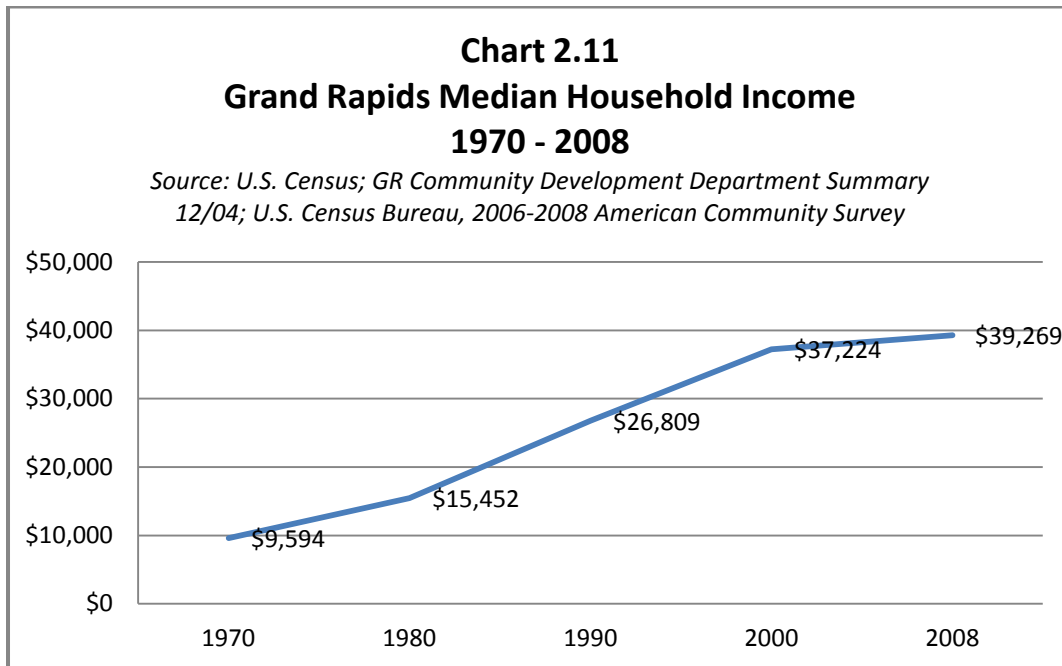
#### Unemployment Rate by Race/Ethnicity in Grand Rapids

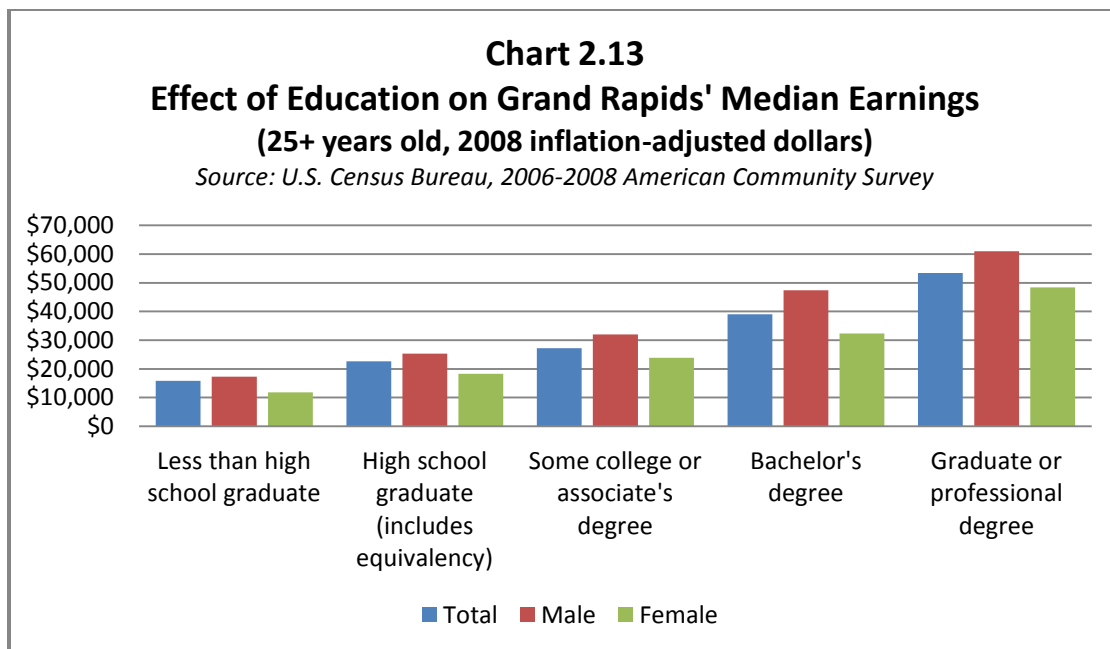
Source: U.S. Census Bureau, 2006-2008 American Community Survey



## INCOME

Between 1970 and 2008, Grand Rapids' median household income increased 309%. Asians had the highest median income at \$62,592, followed by Whites at \$45,816; Black/African Americans had the lowest at \$24,806.<sup>17</sup> Regardless of educational attainment, men earned higher median incomes than women with widening gaps at the bachelor's and graduate degree levels.



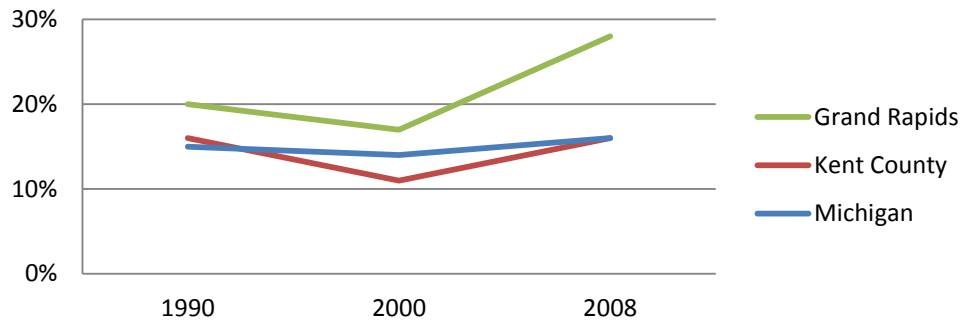


## POVERTY

Poverty rates for families in the city fell during the 1990s, but rose during the first eight years of the new century, correlating with the recession and rise in unemployment. People in poverty live closer to the edge of homelessness than those with greater financial security. They have less income, and may have lower credit scores and depend upon various forms of public assistance, resulting in fewer housing choices. By 2008, 23% of all city residents and 34% of all children lived in poverty.<sup>18</sup> Forty-nine percent (49%) of single mothers raising children were estimated to be in poverty, compared to 12% of married couples with children. Black/African Americans had the highest proportion of people living in poverty. Lack of educational attainment was more serious for women than men, resulting in much higher levels of poverty, until women held bachelor's degrees.

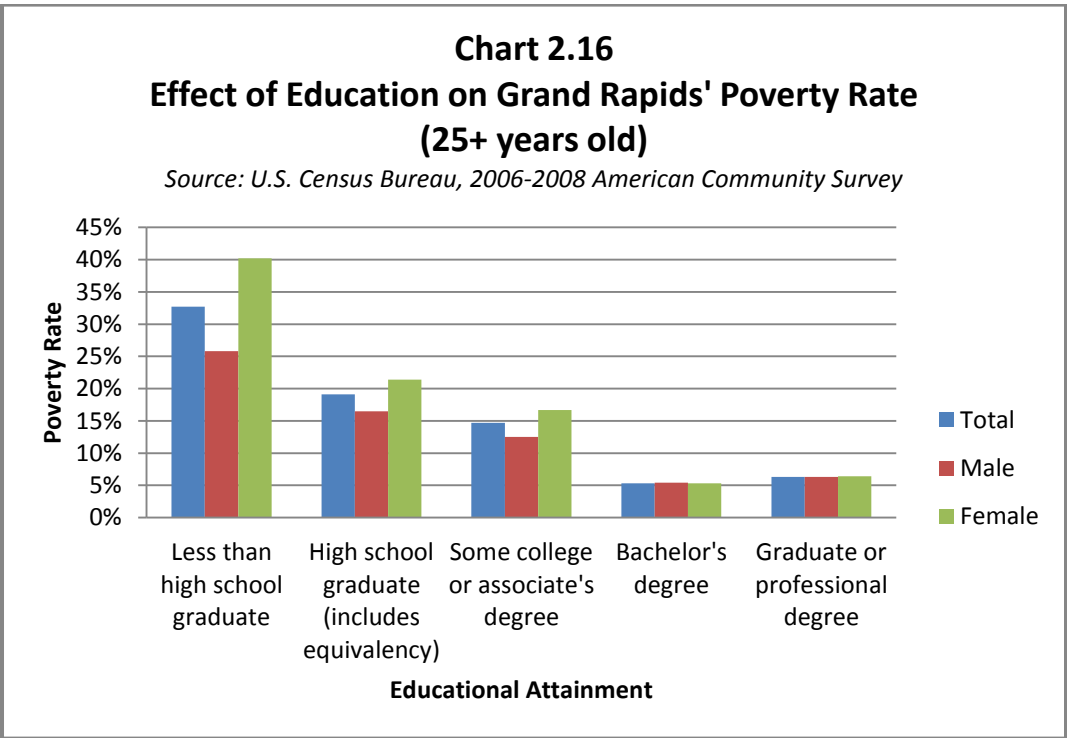
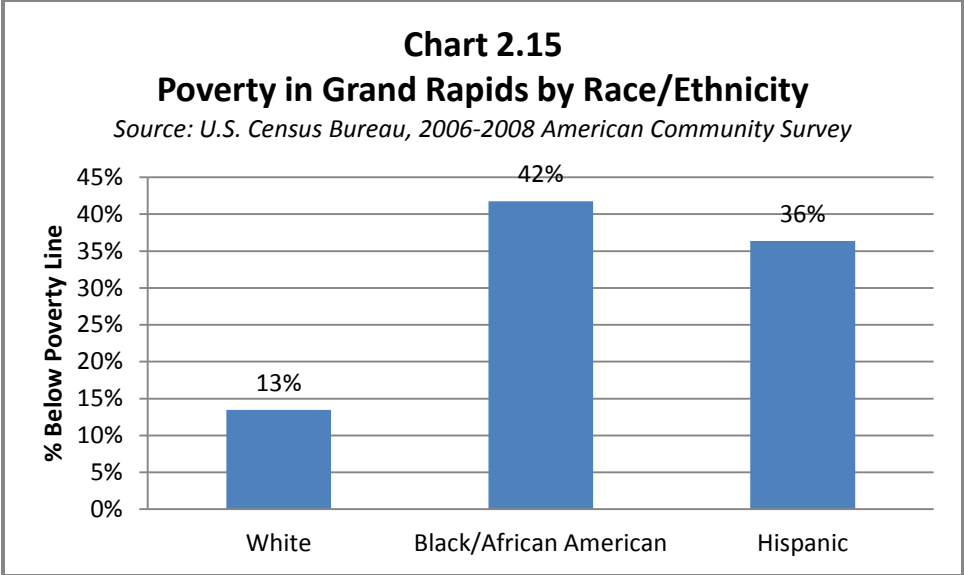
**Chart 2.14**  
**Grand Rapids Poverty Rate Trend**  
**for Families with Children <18 Years**

*Source: U.S. Census Bureau; GR Community Development Department  
 Summary 12/04; 2006-2008 American Community Survey*



**Table 2.8**  
**Poverty Rates in Grand Rapids**

Family Type	Percent in Poverty
<b>All families</b>	<b>19%</b>
Families with related children under 18 years	28%
With related children under 5 years only	26%
<b>Married couple families</b>	<b>8%</b>
With related children under 18 years	12%
With related children under 5 years only	10%
<b>Families with female householder, no husband present</b>	<b>40%</b>
With related children under 18 years	49%
With related children under 5 years only	47%
Source: U.S. Census Bureau, 2006-2008 American Community Survey	



## HOUSING PROFILE

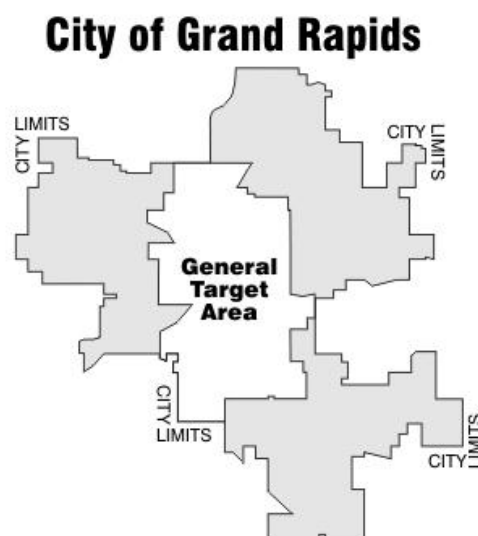
Grand Rapids is a city of neighborhoods encompassing about 45 square miles. Incorporated in 1850, the city is nearly built out. As development occurs, the city's 2002 Master Plan suggests that all city neighborhoods be constructed with a variety of housing types and price points to create affordable housing opportunities throughout the city and not have concentrated areas of low-income individuals.<sup>19</sup> Recommendations include providing a choice of neighborhood types (each with an expanded range of housing opportunities) and coordinating the location of higher density residential development and transit routes.

Currently, the majority of low- and moderate-income households live in the Community Development General Target Area (GTA). The GTA is comprised of roughly half the population and half the housing units in the city. Neighborhoods in the GTA were built prior to World War II and offer pedestrian-friendly, tree-lined streets, a mix of housing types and densities, and appealing architecture. Most have small blocks defined by a grid pattern and many have small business districts located on major streets. Medium density apartment buildings are often located at intersections of major streets, with duplexes providing a transition to single-family homes on small lots.

Outside the GTA, city neighborhoods present a more suburban feel with single-family homes built in lower densities on larger lots, and residential areas largely separated from commercial and institutional uses. Rental housing is typically found in newer rental complexes located apart from single-family homes.

### Map 2.2: Relationship of the General Target Area to the City Limits

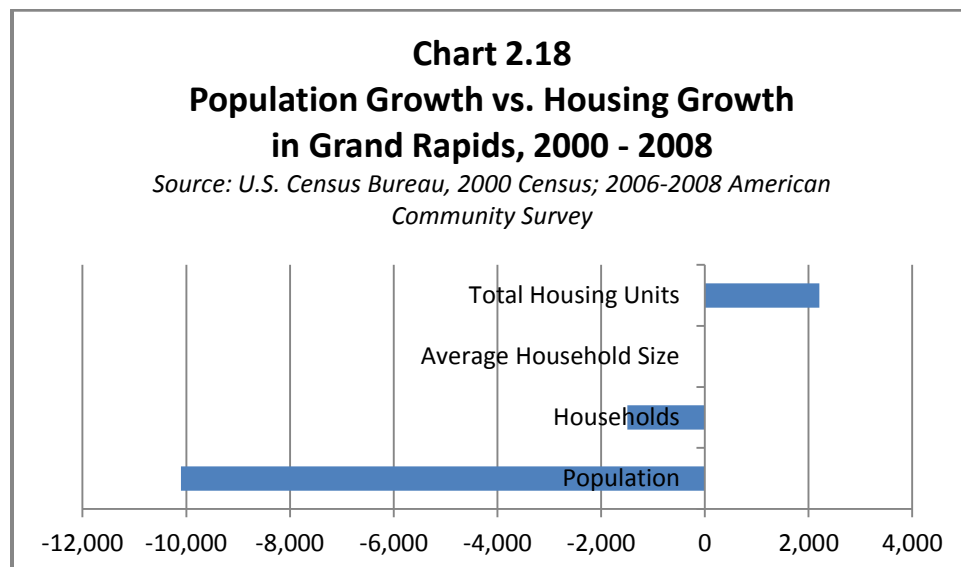
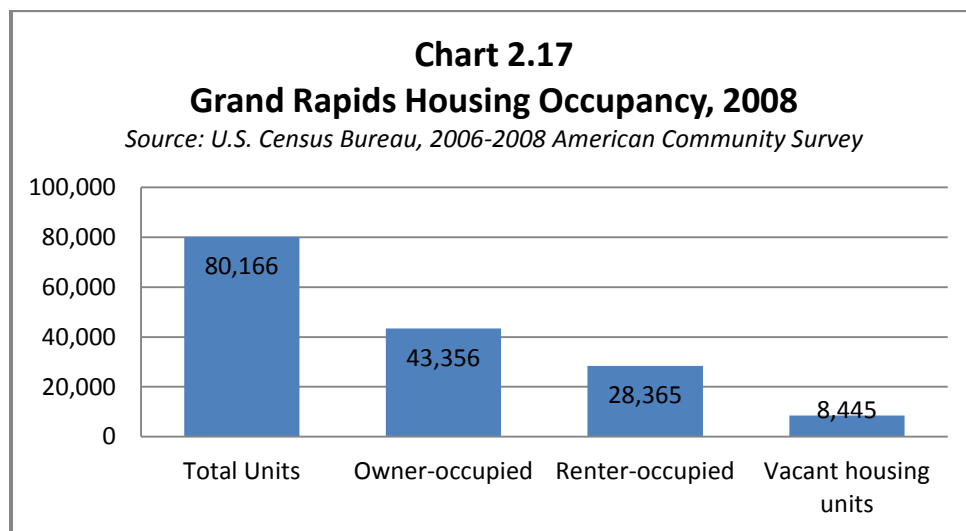
*Source: City of Grand Rapids Community Development Department*



## OCCUPIED AND VACANT HOUSING UNITS

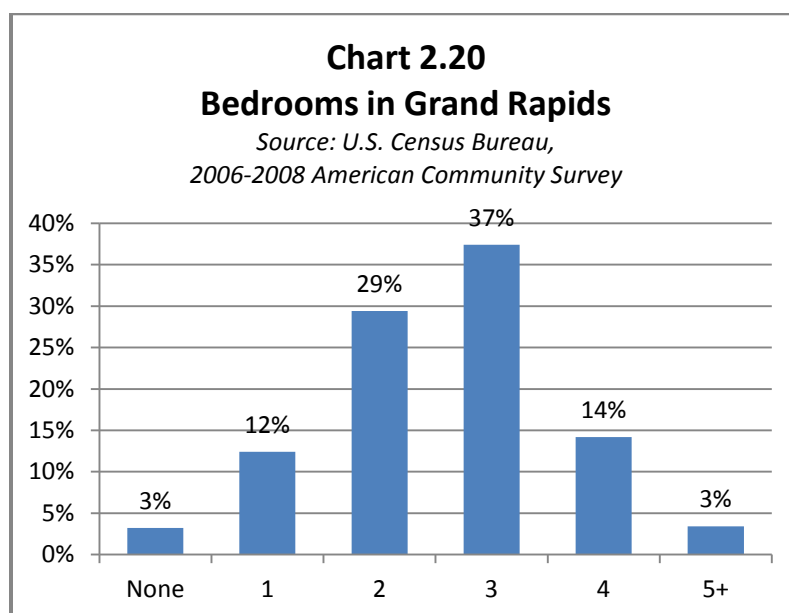
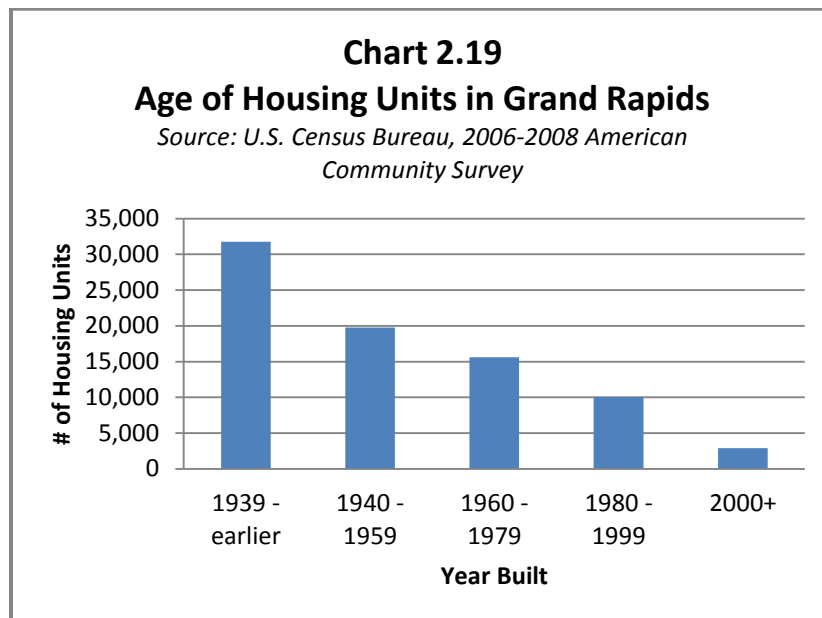
During the 1990s, housing occupancy rates were fairly constant at about 56% owner-occupied, 38% renter, and 6% vacant. However, between 2000 and 2008, the estimated number of occupied units decreased about 2% and vacant units increased about 4%.<sup>20</sup>

During the 1990s, the population, households and housing units increased. However, from 2000 to 2008, population, households, and average household size declined while the number of housing units continued to grow. Population loss is consistent with statewide trends,<sup>21</sup> which are widely attributed to the lack of employment and out-migration. The combination of population loss, increased number of housing units, and increased vacancies highlights the city's soft housing market, made especially difficult by the increasing number of foreclosures.



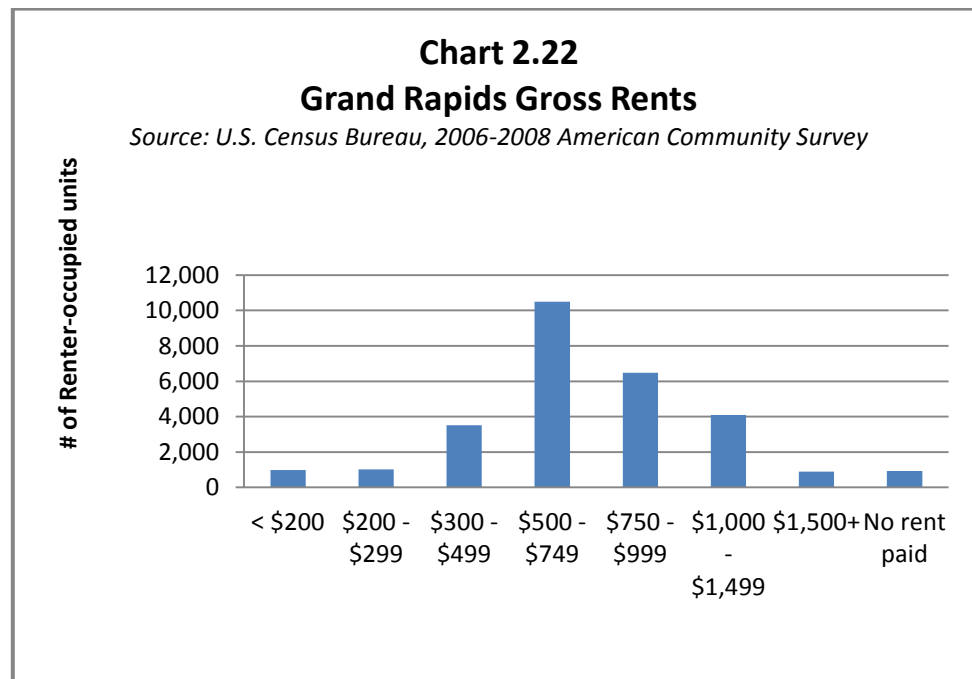
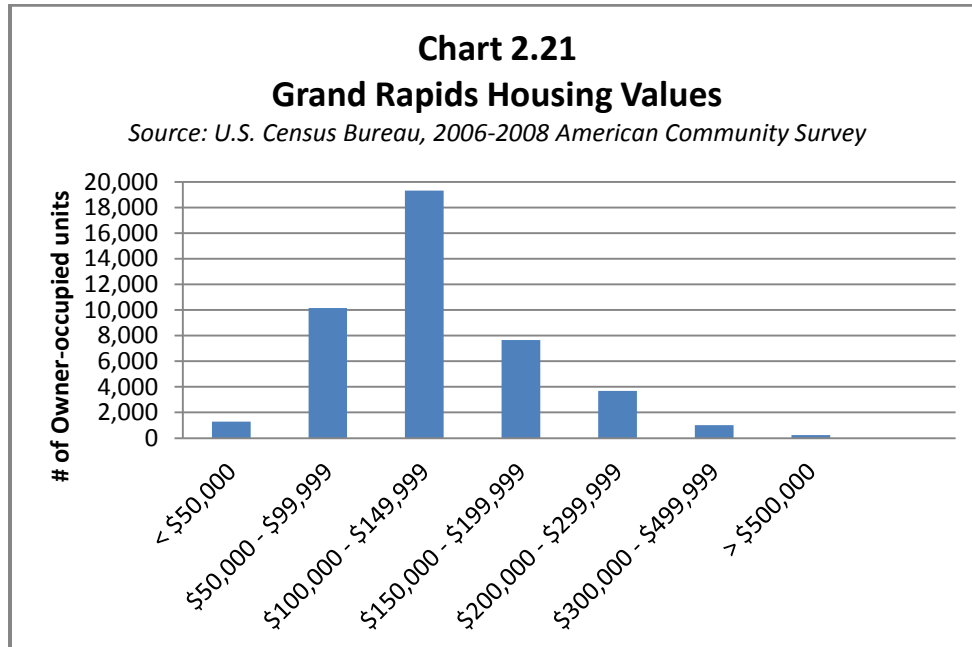
## HOUSING CONDITIONS

Housing stock in the city is relatively old. Seventy-six percent (76%) of Grand Rapids housing units were built before 1970. The majority (61%) of homes are detached, single family units. Nearly 2% of Grand Rapids' occupied units are overcrowded (1,339) and 0.7% are severely overcrowded (482). Anecdotal stories from homeless service and shelter providers indicate that “doubling up” is a significant problem. Nearly 1% of occupied units lack complete plumbing (645), and 1.1% lack complete kitchens (791).<sup>22</sup> Between July 1, 2009 and June 30, 2010 in the General Target Area alone, the City's Code Compliance Division initiated 2,424 housing code violation cases and 7,833 nuisance cases.



## COST OF HOUSING

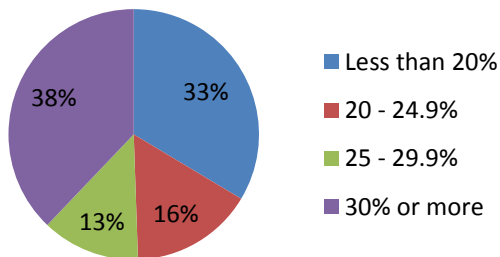
Grand Rapids' median home value in 2008 was \$125,300.<sup>23</sup> The 2008 median sales price in the MSA was \$100,900.<sup>24</sup> Grand Rapids median gross rent in 2008 was \$697.<sup>25</sup>



Housing costs are generally the largest expense of most households and are, therefore, an important factor in housing choice throughout a region. The Grand Rapids-Wyoming MSA has long been considered an affordable place to buy a home for median income earners.<sup>26</sup> However, a significant number of low-income people in Grand Rapids are cost burdened. According to HUD, families paying more than 30% of their income for housing are considered “cost burdened” and may have difficulty affording other necessities such as food, clothing, transportation and medical care. The following two charts demonstrate that renters (56%) are more severely affected by high housing costs than owners (38%). (Gross rent means monthly payment plus utilities paid by the renter.)

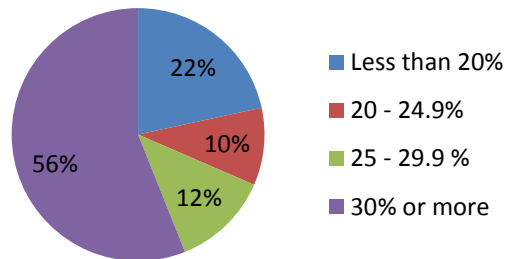
**Chart 2.23**  
**Monthly Owner Costs**  
**as % of Household Income**  
**(Housing units w/ mortgage,**  
**excluding those that cannot be**  
**computed)**

*Source: U.S. Census Bureau, 2006-2008  
 American Community Survey*



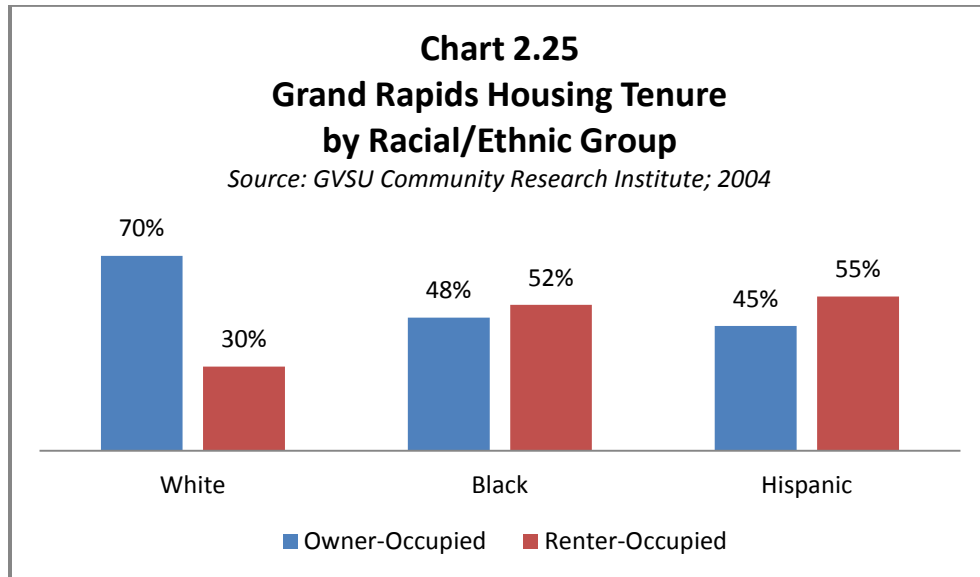
**Chart 2.24**  
**Gross Rent**  
**as % of Household Income**  
**(Occupied units paying rent,**  
**excluding units that cannot be**  
**computed)**

*Source: U.S. Census Bureau, 2006-2008  
 American Community Survey*



## RACIAL/ETHNIC HOUSING PATTERNS

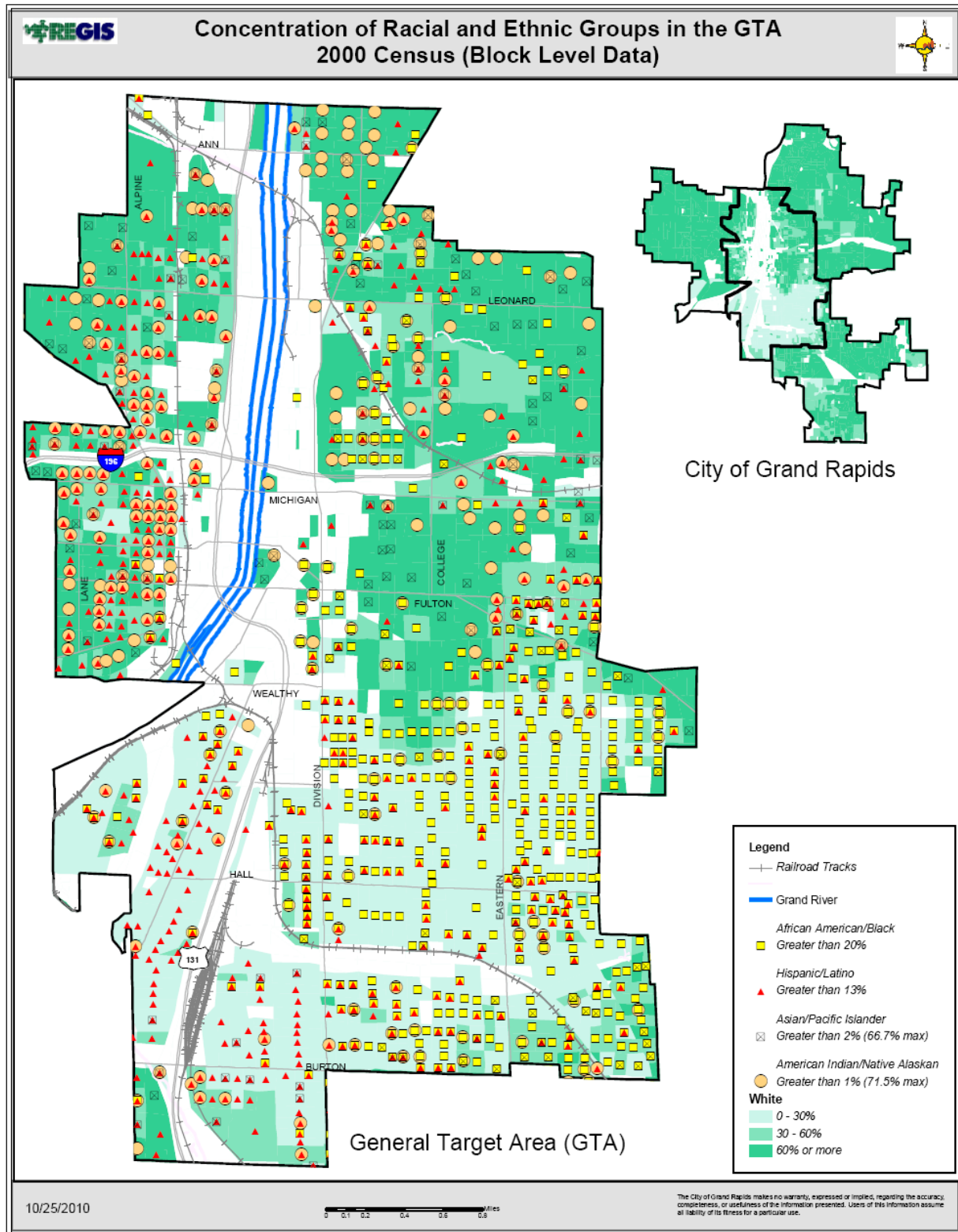
Chart 2.25 details the extent to which Blacks/African Americans and Hispanics/Latinos are more likely to be renters than Whites.



Map 2.3 below shows the concentration of racial and ethnic groups within the GTA where most of the city's low- and moderate-income households live. This housing typically predates World War II and sells for less than newer housing on larger lots in the outer areas of the city and suburbs. It also has ready access to public transportation.

## Map 2.3

Source: City of Grand Rapids



## **PUBLIC/AFFORDABLE HOUSING PROGRAMS**

Public/affordable housing and housing assistance must be accessible to qualified households regardless of race/ethnicity, disability, or other special characteristics. If such housing is concentrated in one area of a community or region, a household seeking affordable housing is restricted to choices within a limited geographic area.

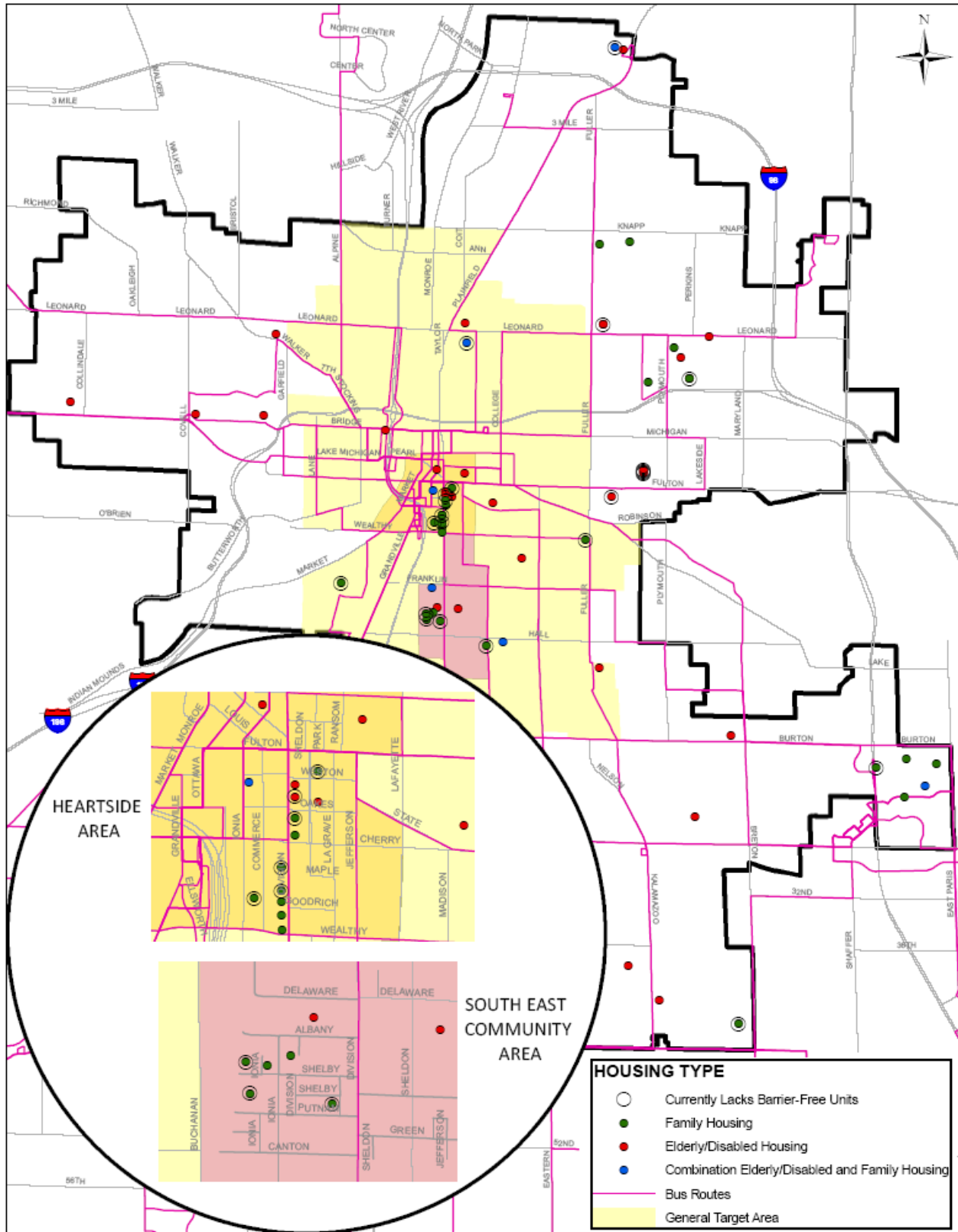
Public and private assisted housing is located throughout the city, totaling 2,758 housing units for the elderly/people with disabilities and 2,784 units for families. Of these assisted housing units, 326 are barrier free. Although single- and multi-family assisted units are found in all areas of the city, a concentration can be found in the Heartside neighborhood along South Division Avenue.

In the Grand Rapids area, supportive housing services are provided or coordinated by Kent County and the State of Michigan. The Grand Rapids Area Coalition to End Homelessness has a Permanent Supportive Housing subcommittee to address housing needs for targeted populations, including people with disabilities. During federal fiscal year 2009, 407 permanent supportive housing beds were available in the community for homeless individuals, and 185 were available for homeless families.

The following Map 2.4 shows the locations of assisted housing developments in relation to public transportation routes. In addition to the assisted housing developments shown, there are 133 scattered site units.

## Map 2.4: Grand Rapids Assisted Housing Developments

Data Source: Disability Advocates of Kent County; City of Grand Rapids 2006-2010 Consolidated Housing and Community Development Plan



## **GRAND RAPIDS HOUSING COMMISSION**

Although a number of nonprofit organizations provide affordable housing in the city, the Grand Rapids Housing Commission (GRHC) is the local public housing authority (PHA) and the largest landlord with affordable housing properties. The GRHC owns and operates 950 units and administers a Housing Choice Voucher program with 2,966 units.

The Housing Commission was established in 1966 as a special purpose body authorized to purchase, acquire, construct, maintain, operate, improve, repair or extend housing facilities and eliminate adverse housing conditions. Funded primarily by HUD, the GRHC is independently administered and governed by a five-member board appointed by the City Manager and approved by the City Commission. The GRHC serves lower-income residents through a diverse portfolio of housing programs. The GRHC's policies and procedures are consistent with the requirements of federal, state, and local laws and HUD's regulations and guidance.

**Certifications and Oversight.** The GRHC's Public Housing management team is certified by the National Association of Housing and Redevelopment Officials (NAHRO). Certification includes ongoing instruction and testing. Periodic reviews of management and operations are performed by HUD, the Michigan State Housing Development Authority (MSHDA), insurers, and private mortgage companies. Although the City of Grand Rapids does not evaluate the Housing Commission's performance, it is informed by HUD of any concerns in the annual evaluations such as the Section 8 Management Assessment Program (SEMAP) or the Public Housing Assessment System (PHAS) scores. The Housing Commission meets annually to determine a strategic plan based on outcomes and industry standards that are identified as high performance targets by government agencies.

**Fair Housing Policy.** It is the policy of the GRHC to fully comply with all federal, state and local nondiscrimination laws; the Americans with Disabilities Act; and HUD's regulations governing Fair Housing and Equal Opportunity. No person shall, on the grounds of race, color, sex, religion, national or ethnic origin, familial status, disability, or source of income be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the GRHC's program. Staff attends fair housing training.

To further its commitment to full compliance with applicable Civil Rights laws, the GRHC provides federal/state/local information to applicants/tenants of its housing programs regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information is made available with the application. All applicable Fair Housing Information and Discrimination Complaint Forms are available at the GRHC office. In addition, all written information and advertisements contain the appropriate Equal Opportunity language and logo.

The GRHC will assist any family that believes they have suffered illegal discrimination by providing them with copies of the appropriate housing discrimination forms. The GRHC will also assist them in completing the forms if requested, and will provide them with the address of the nearest HUD office of Fair Housing and Equal Opportunity.

**Housing Inventory.** The GRHC was created to serve extremely low- and low-income renters in GRHC-owned projects. With the advent of the Section 8 program, the GRHC expanded its services to include both project-based and tenant-based assistance. Households aided by the Housing Commission include the elderly, disabled, and families (adults with children). The following chart summarizes the GRHC's inventory of assisted housing. As of early 2011, the Housing Commission managed 949 housing units in nine developments and 2,966 Housing Choice Vouchers.

Grand Rapids Housing Commission 2011 Assisted Housing Inventory				
Development	Units	Income Level Targeted	Family Type	Waiting List #s
<b>Public Housing</b>				
Adams Park Apartments	188	Low & Moderate	Elderly & Disabled	2,355
Campau Commons Apartments	92	Low & Moderate	Families	6,344
Creston Plaza Apartments	100	Low & Moderate	Families	
Scattered Sites	42	Low & Moderate	Families	
<b>Subtotal</b>	<b>422</b>			<b>8,699</b>
<b>Other Developments</b>				
Hope Community Transitional Housing	24	Extremely Low & Low	Homeless Families	NA
Leonard Terrace Apartments	125	Extremely Low & Low	Elderly (62 yrs +)	169
Mount Mercy Apartments – Phase I	125	Extremely Low & Low	Elderly (55 yrs +)	148
Mount Mercy Apartments – Phase II	55	Extremely Low & Low	Elderly (55 yrs +)	
Ransom Tower Apartments	153	Low & Moderate	Elderly (62 yrs +)	16
Sheldon Apartments	45	Extremely Low & Low	Elderly & Disabled	406
<b>Subtotal</b>	<b>527</b>			<b>739</b>
<b>Privately-Owned Developments (number of project-based units)</b>				
Emerald Creek Apartments*	4	Extremely Low & Low	Disabled	284
Heron Court*	33	Extremely Low & Low	Disabled	215
Heron Manor Apartments*	22	Extremely Low & Low	Elderly w/ disabilities	208
Oroquis Apartments*	27	Extremely Low & Low	Disabled	217
<b>Subtotal</b>				<b>924</b>
<b>Housing Choice Vouchers</b>	<b>2,966</b>	Extremely Low & Low	Families, Elderly & Disabled	<b>3,545</b>
<b>Total</b>	<b>3,915</b>			<b>13,907</b>

Source: Grand Rapids Housing Commission

\* These units are included in the total number of units for each of these privately-owned housing developments and should not be “double-counted” as assisted units.

**Resident Involvement in Management.** To encourage resident participation in management, the GRHC formed a Resident Advisory Board, comprised of residents representing the various housing sites as well as voucher holders. The Resident Advisory Board reviews

policies and activities of the GRHC and makes suggestions for future initiatives. In addition, individual housing developments offer opportunities for development of resident associations, crime prevention teams, and resident initiatives such as the operation of food pantries, social events and life skills curricula.

**Family Self Sufficiency.** The Family Self Sufficiency (FSS) Program gives Low-Income Public Housing residents and Housing Choice Voucher Program participants the opportunity to accrue funds when new employment or a change in employment increases household income and the amount of rent a family pays. The GRHC deposits the difference between a participating household's base and adjusted rents in an escrow account to benefit the family. Families that successfully complete the FSS program receive the funds from their escrow accounts, and many use their funds toward the purchase of a home. (See the homeownership programs below.) As of early 2011, 365 participants are enrolled in the FSS program. Over the next five years, the Housing Commission intends to expand the program to support the self-sufficiency goals of 300 additional low-income families.

**Section 5(h) Homeownership Program and Section 32 Homeownership Program.** The Housing Commission's Section 5(h) Homeownership Program operates in conjunction with its Scattered Site Public Housing development program. Through the two programs to date, the GRHC has built or substantially rehabilitated 150 single-family homes, then has leased these homes to qualified low-income families. Leaseholders have the option to purchase the property they occupy. Thus far, 128 leaseholders have exercised their option to purchase a home. The Commission will continue to administer this program. The GRHC uses proceeds from the sale of these homes to support additional affordable housing opportunities.

The Housing Commission intends to develop a new Section 32 Homeownership Program through which 48 new single-family homes will become available to low-income families. The Commission has acquired the buildable lots and is developing a source of funds for the construction of the units.

**Section 8 Homeownership Program.** The Housing Commission intends to continue implementation of the Section 8 Homeownership Program. Under this program, qualified low-income families are able to apply their Housing Choice Voucher assistance toward the purchase of a home. Since the inception of the program in 2000, 49 clients have become homeowners.

**Delivery of Resident Services.** The majority of Housing Commission Public Housing residents have supportive housing needs. To assist these residents, the GRHC Resident Services Program provides case management professionals who are available to assist residents of senior/disabled and family housing developments operated by the Housing Commission. In addition to providing direct services to residents, the Housing Commission partners with local educational, social service, and faith-based organizations to bring residents a broad array of supportive programs and services. During the next five years, the Housing Commission intends to improve its residents' access to services that support economic opportunity and increased quality of life. Through an agreement with network180, the consortium for mental health and substance abuse services, the Commission has been able to provide permanent housing for hard-to-house clients. Network180 worked with the Housing Commission to fund one additional case

management position specializing in mental health disorders and substance use prevention. Over three years, 94% of clients maintained permanent housing for twelve months or more as a result of this initiative. Today, the average period of housing for this group averages 31 months.

**Delivery of Maintenance.** The GRHC Maintenance Policy prioritizes activities in the following order: emergencies, annual inspections, urgent requests, unit turnover, and standard work orders. Placing planned maintenance and vacancy preparation work ahead of resident work requests emphasizes the importance of performing scheduled routine and preventive work first in order to decrease on-demand work and maintain the property in a manner that will keep and attract good tenants. The GRHC is committed to controlling lead-based paint hazards in all its dwellings, especially family dwellings constructed before 1978. If any hazards are discovered, the Housing Commission will develop a plan to abate the hazard. The GRHC will contract for maintenance services when it is in the best interest of the Housing Commission to do so.

The GRHC will ensure that there are sufficient clear procedures in place to allow staff to implement the maintenance policy. All procedures will include the local housing and fire codes, HUD Housing Quality Standards, Public Housing Assessment System (PHAS) standards. Nothing in the documents listed above will prevent the Housing Commission from setting a standard that is higher than that contained in the documents.

**Application Process.** Applications are taken to compile a waiting list. The Housing Commission uses an easy on-line application system, which serves as a central intake for all its programs. Internet access is available free of charge through the libraries. People who lack internet skills can find assistance to apply on-line at The Salvation Army or at any of its housing developments. Paper applications are also available. People can apply for their choice of any or all of the Housing Commission's programs/facilities through this process. Persons with disabilities who require a reasonable accommodation in completing an application may call the GRHC to make special arrangements. A Telecommunication Device for the Deaf (TDD) is available.

The application process for Public Housing/Tax Credit properties is available on an ongoing basis, while access to the Housing Choice Voucher program waiting list is limited to brief periods when applications are low. During the most recent Housing Choice Voucher application period, internet access/phone banks were provided at community partner locations where people without internet access/skills could find help, while not overloading the libraries. During this application process, people could also indicate if they were interested in other Housing Commission programs, without jeopardizing their status on any other list. Applications were accepted from families outside the jurisdiction, but preference was given to residents of Kent County, Michigan.

The application process involves two phases. The first phase is the initial application for housing assistance (or the pre-application) and results in the family's placement on the waiting list. The application process includes an opportunity for the applicant to identify additional contact people or advocates that the Commission must notify when doing business with the applicant. At this point, the GRHC makes a preliminary determination of eligibility and notifies the family by mail. The applicant may, at any time, report changes in their applicant status. The second phase

is the final determination of eligibility, referred to as the full application. The full application takes place when the family nears the top of the waiting list. The GRHC ensures that verification of all preferences, eligibility, suitability and selection factors are current in order to determine the family's final eligibility for admission.

**Public Housing and Tenant-Based Waiting Lists.** The Housing Commission accepts and processes applications for its subsidized housing developments on a first-come, first-serve basis and maintains waiting lists for all programs. The Public Housing waiting list contains 8,000 names. If the waiting list for a particular program/facility becomes short, the Housing Commission will send a mail blitz to see if anyone who did not choose that program would like to change their mind in order to be served sooner. Waiting lists are reviewed and updated annually to ensure that the pool of applicants reasonably represents the interested families for whom the GRHC has current information.

The waiting list for Housing Choice Vouchers closed on August 1, 2004, and did not re-open until a 5-day period between November 15 and 19, 2010. During this time, 5,000 applications were received, of which 3,000 were chosen by a computerized random lottery to be added to the current list. The waiting list for Vouchers contains 3,545 people, including 300 from the 2004 list. The waiting list is closed again. The GRHC Section 8 Administrative Plan requires that Kent County residents be served before families applying from outside the area. Since the GRHC received more than 4,300 applications from Kent County residents, those applying from outside of the county were not included in the lottery.

**Tenant Selection and Assignment.** Each family's unit size is determined so as to avoid overcrowding and over-housing, based on the assumption that each bedroom will accommodate no more than two people. Two adults will share a bedroom unless related by blood. In the first-come first-serve process, the Housing Commission gives preference within each bedroom size category to displaced people, Grand Rapids residents, veterans, the elderly and those with accessibility issues. In the Public Housing buildings specifically designed for the elderly and disabled, preference will be given to elderly and disabled families, followed by near-elderly families, followed by families who qualify for the appropriate bedroom size using these priorities. Accessible units in all housing developments will be first offered to families who may benefit from the accessible features. Applicants for these units will be selected using the same preference system as outlined above. If there are no applicants who would benefit from the accessible features, the units will be offered to other applicants in the order that their names come to the top of the waiting list. Such applicants, however, must sign a release form stating they will accept a transfer (at their own expense) if, at a future time, a family requiring an accessible feature applies. Any family required to transfer will be given a 30-day notice.

If the family rejects with good cause any unit offered, they will not lose their place on the waiting list. Good cause includes reasons related to health, proximity to work, school, and childcare (for those working or going to school). The family will be offered the right to an informal review of the decision to alter their application status. There is no limit to the number of refusals.

Section 8 staff is trained to help people find neighborhoods in which they are comfortable, including nontraditional neighborhoods. For those receiving portable vouchers, the Housing Commission provides an orientation during which they describe the portability of the voucher, applicable conditions (the resident must have lived in Grand Rapids for 12 months before they can use a voucher to port to the jurisdiction of another Housing Authority), the benefits of moving to different areas (schools, stores, etc.), and refer them to resources where they can find units for themselves.

**Section 504 Needs Assessment/Accessibility/Reasonable Accommodation.** As a result of the Section 504 Needs Assessment, the Housing Commission has modified existing structures (both common areas and dwelling units) to accommodate people with disabilities and dedicates as much as 10% of its new construction to barrier-free units. Policies, applications, forms and services have also been modified to make reasonable accommodations. For example, if someone in a standard unit had a change in health and needed a barrier-free unit, the Housing Commission would move them or find other reasonable accommodation such as a ground floor unit.

For portable vouchers, the Housing Commission provides clients with disabilities an overview of how to find units for themselves. They make referrals to MSHDA's Michigan Housing Locator, which provides accessibility data on units. People without internet skills can find assistance at The Salvation Army. The Housing Commission also refers people with accessibility issues to Disability Advocates of Kent County, which can provide home assessments, independent living plans, and referrals to home modification services for low-income individuals.

**Concentrations and/or Patterns.** The Housing Commission strives to deconcentrate poverty in the city. Race/ethnicity is not a consideration when assigning units. The GRHC's policy provides for deconcentration of poverty and encourages income mixing by bringing higher income families into lower income developments and lower income families into higher income developments. Toward this end, GRHC will skip families on the waiting list to reach other families with a lower or higher income. This is done in a uniform and non-discriminating manner. The Housing Commission affirmatively markets housing to all eligible income groups. Lower income residents will not be steered toward lower income developments and higher income people will not be steered toward higher income developments. Prior to the beginning of each fiscal year, the GRHC analyzes the income levels of families residing in each development, the income levels of census tracts in which the developments are located, and the income levels of families on the waiting list. Based on this analysis, staff will determine the level of marketing strategies and deconcentration incentives to implement. Over the years, the GRHC has not seen a pattern of concentrated poverty during this analysis.

The Section 8 program conducts an annual analysis of families living in high or low poverty areas. Currently, 65% of families live outside high poverty areas (defined as 20% of census tract residents at or below poverty). Forty-nine percent (49%) are disabled, 66% are African American, 33% are White, and 1% are Native American.

Although race/ethnicity is not considered when assigning units, the subject was analyzed for purposes of this study. For all GRHC programs, 52% of clients are White, 46% are African American/Black, 1% are Native American/Alaska Native, 0.5% are Asian, and 8% are Hispanic.

There is considerable deviation from these overall percentages within individual programs/facilities, with 100% of Sheldon Apartment residents African American/Black. Because people apply for the programs/facilities that interest them, it is believed that individual preferences as well as available units play a role.

**Regional Mobility.** There are five housing authority jurisdictions in the Grand Rapids metropolitan area (MSHDA, Kent County, Grand Rapids, Wyoming, Rockford). Since the 1980s, these jurisdictions overlap and do not have territorial battles. The GRHC talks with other jurisdictions and operates the FSS program on a regional basis. However, they do not administer a single waiting list because each jurisdiction has separate plans and preferences, and allowing portability would make it difficult to be in compliance with each plan.

Housing Choice Vouchers are portable to any housing authority in the United States and Puerto Rico, which is explained to recipients during orientation. The Commission supports forty (40) families who have used their Housing Choice Vouchers to move to other states under the portability option. The Commission accepts 5 to 6 newly ported families each month. In 2000, the GRHC and the Grand Rapids Urban League began working together through a Regional Opportunity Grant to promote the benefits of living in different neighborhoods within the region to Section 8 families. This five-year process established the mindset that Housing Choice Vouchers will enable the family to take advantage of renting in areas with better schools and amenities.

## **CITY-ASSISTED AFFORDABLE HOUSING DEVELOPMENTS**

The City of Grand Rapids sub-grants federal funds to housing providers to develop or redevelop affordable single- and multi-family properties for ownership and rental. Contractual agreements between the City and the providers require full compliance with all applicable Federal, State, and local laws, including nondiscrimination laws. Full compliance with HUD regulations and guidance is also required. Before entering into the contractual agreement, the City reviews a provider's tenant selection, anti-discrimination, and accessibility policies. After entering into the agreement, the provider is required to demonstrate full compliance through various means, including reporting requirements and on-site monitoring by Community Development Department staff. If a housing provider is found in noncompliance through these means, a finding summary is issued to the provider. The summary includes corrective actions necessary to address the noncompliance issue and requirements for completing the corrective action in a timely fashion.

All assisted housing providers who contract with the City are required to implement an affirmative marketing plan as part of their tenant selection practice. This affirmative marketing plan includes procedures for contacting neighborhood organizations in order to obtain referrals, applications, and provide general information about local assisted housing units. Assisted housing providers take applications directly from prospective tenants or through referrals from neighborhood organizations. Many application processes require an application, criminal history background check release, and copy of social security card and photo identification. Some application processes vary by the specific project or property. For example, an organization may have a different application for single family rental vs. homebuyer vs. rental apartments.

However, all participating organizations must comply with all Federal, State and Local laws and regulations pertaining to anti-discrimination, accessibility, Fair Housing, and so forth. Compliance is verified during monitoring visits and through collection of regular reports.

Tenant selection procedures prohibit discrimination based on race, color, creed, religion, sex, national origin, age, handicap, marital or familial status, and require compliance with all Federal, State, and Local Fair Housing and Civil Rights Laws. In the case of supportive housing, applicants are required to be within the target population for which services are provided. Qualified applicants are placed on a waiting list that complies with Project Based Voucher (PBV) requirements. If a waiting list is not maintained, special outreach efforts may be required prior to informing the general public of a vacancy. Assisted housing providers make every effort to fill units specifically designated for people with disabilities with those applicants in need of an accessible unit, and procedures allow for reasonable accommodation.

Of the housing developments currently being monitored by the City of Grand Rapids Community Development Department, there are no patterns of intentional concentration of tenants based on race or ethnicity.

## **PUBLIC TRANSPORTATION**

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Although not directly related to fair housing choice, the availability of public transportation can increase options by allowing people to expand their home search to neighborhoods farther from jobs, services, and amenities. This could also help reduce concentrations of poverty and/or race/ethnicity.

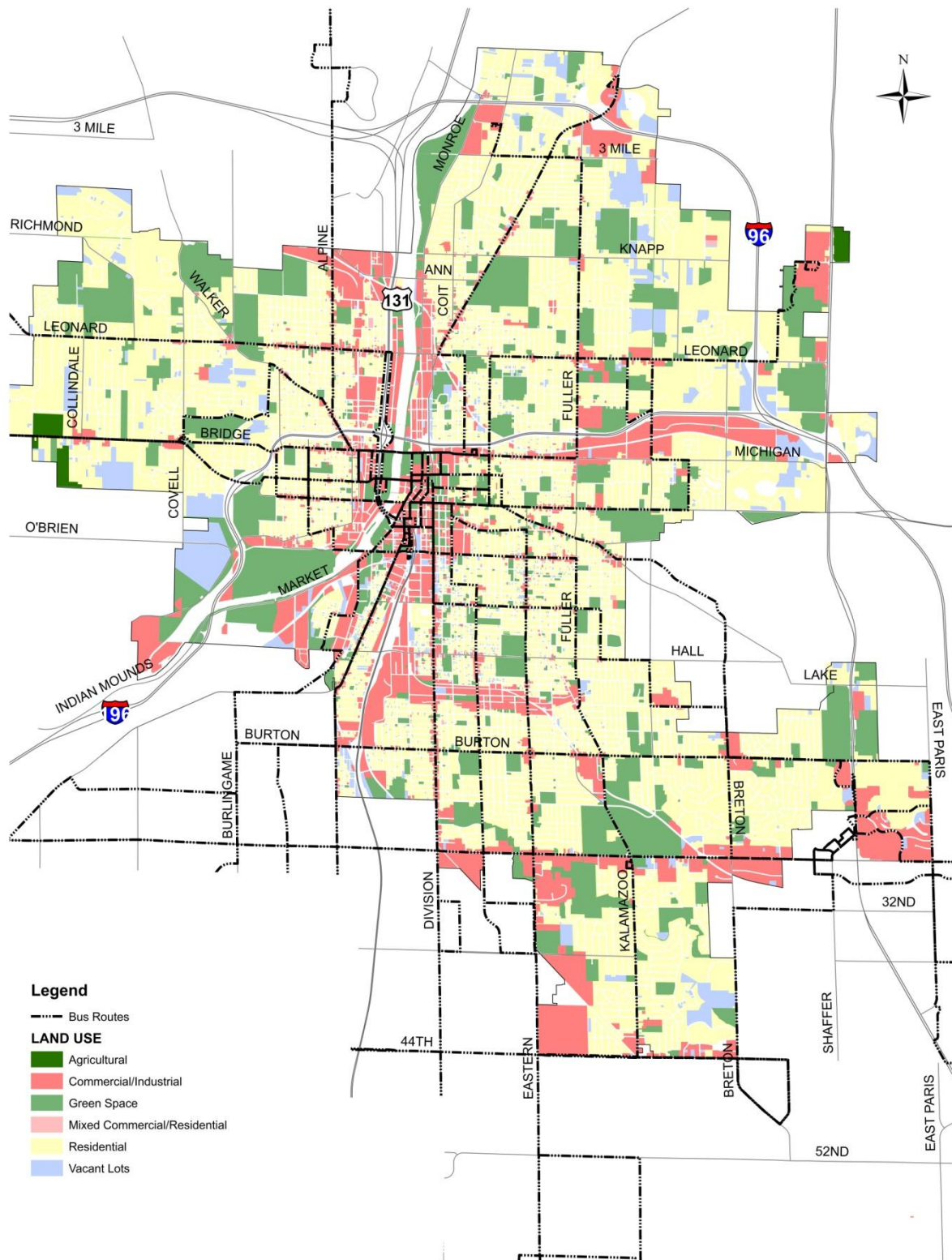
Mass public transportation in the Grand Rapids community is provided by the Interurban Transit Partnership (ITP).<sup>27</sup> ITP is an authority operating under Michigan Public Act 196 of 1986 and is overseen by a 15-member board of directors that represents the six municipalities in the service area. ITP's central station is centrally located on the southern edge of downtown Grand Rapids. From there, 26 bus routes crisscross the city and extend into the metropolitan area. A Go!Bus provides door-to-door service for people with disabilities and seniors within a 180-square mile area of Grand Rapids for one-way fares of \$3.00 for people with disabilities and \$7.00 for people over 65. ITP also offers car and van pooling.

Map 2.5 below illustrates the relationship of public transportation to housing and jobs. Residential zones are indicated in yellow and employment zones (commercial, office, mixed commercial/residential, medical, industrial, institutional) in shades of red. Bus routes serve the entire city and are more numerous in higher density residential areas. They link housing to the majority of business areas in the city and beyond. (See Map 2.4 for the relationship of public transportation and assisted housing developments.)

In spite of ITP's comprehensive transportation program, public comments suggest that public transit options do not completely meet the needs of some people who may work less traditional schedules. In May 2011, citizens approved a property tax increase to improve public transportation services, including bus frequency and night and evening service, and a high-speed bus rapid transit (BRT) line for which federal grants are also being sought.

## Map 2.5: Housing, Job, and Public Transportation Relationships

Source: City of Grand Rapids



### SECTION III. EVALUATION OF CURRENT FAIR HOUSING LEGAL STATUS

Complaints received by the City of Grand Rapids are referred to the Fair Housing Center of West Michigan (FHCWM) for investigation. For this analysis, complaint records from both the FHCWM and HUD's Region V Enforcement Office were examined.

#### THE FAIR HOUSING CENTER OF WEST MICHIGAN

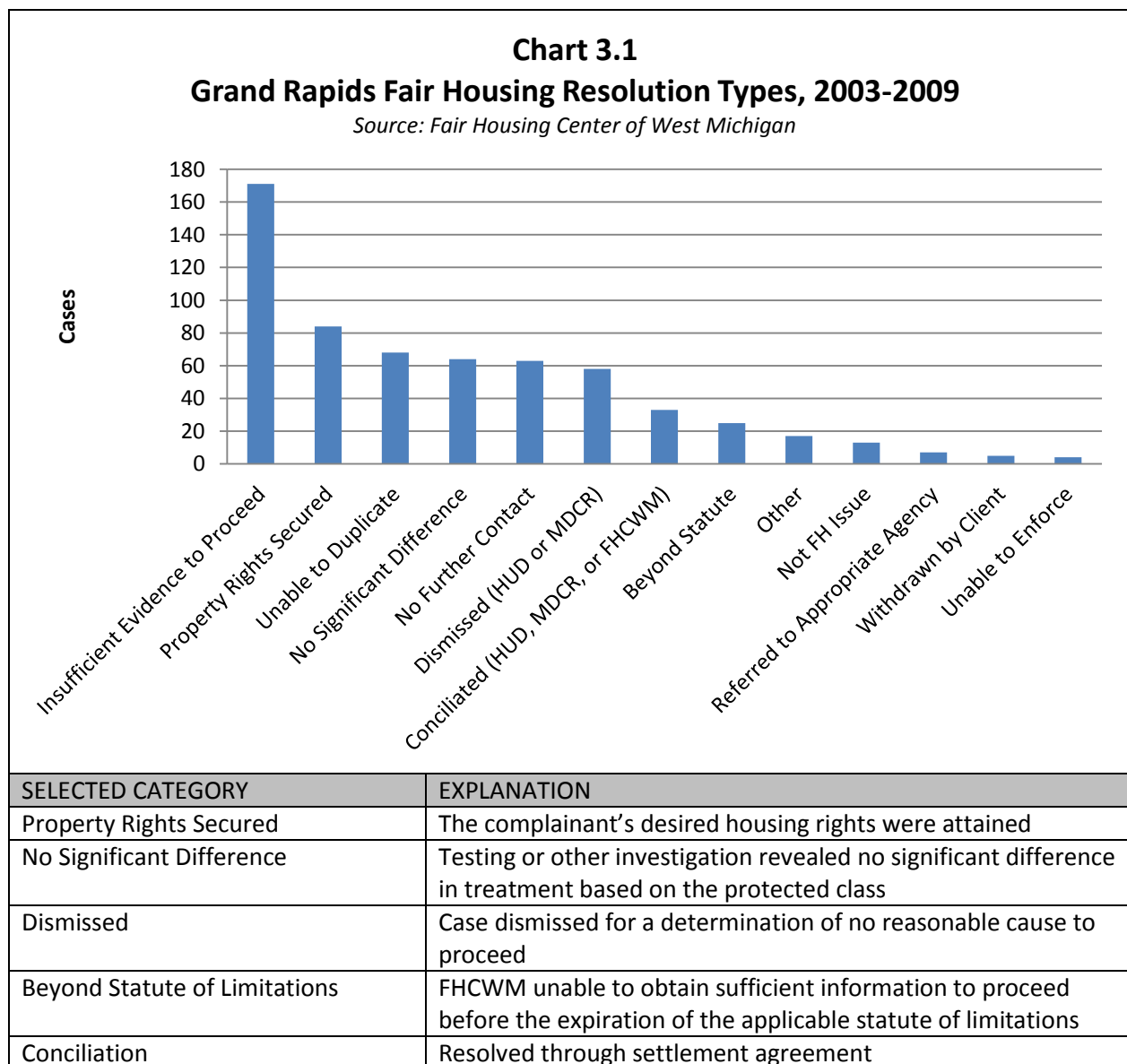
Founded in 1980 as the Fair Housing Center of Greater Grand Rapids, in 2006 the Center merged with the Lakeshore Fair Housing Center (Holland) and became known as the Fair Housing Center of West Michigan (FHCWM). The FHCWM currently serves the counties of Allegan, Ionia, Isabella, Kent, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola and Ottawa. The organization works in partnership with governmental and community organizations to further fair housing goals and help people understand how essential fair housing is to a thriving, sustainable community. Activities include investigating claims of illegal housing discrimination, assisting claimants in litigation and/or administrative enforcement action, conducting tests to determine compliance with federal, state, and local fair housing laws, providing educational services to industry professionals, related organizations, and home seekers, and working with policy makers to coordinate fair housing and community goals.

#### HOUSING DISCRIMINATION COMPLAINTS FILED WITH FHCWM

Ninety-three (93) percent of Grand Rapids fair housing complaints filed with the FHCWM between 1999 and 2009 have been closed. Cases remaining open primarily deal with familial status.

<b>Table 3.1</b>													
<b>Fair Housing Complaints Opened in the city of Grand Rapids by Basis (1999-2009)</b>													
<b>Basis</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>	<b>% Closed</b>
Race	37	29	54	48	33	45	31	50	31	21	18	<b>397</b>	98%
Familial Status	10	9	6	4	20	12	13	14	34	54	79	<b>255</b>	80%
Income Source	2	11	25	8	15	5	9	3	8	7	6	<b>99</b>	97%
Disability Status	10	6	2	17	6	7	5	11	4	8	6	<b>82</b>	100%
National Origin	7	4	3	2	5	10	10	3	3	3	1	<b>51</b>	96%
Gender	0	4	3	0	3	3	2	2	2	4	13	<b>36</b>	94%
Age	1	1	0	1	4	5	3	4	7	5	1	<b>32</b>	100%
Marital Status	2	2	1	0	2	0	1	4	4	5	0	<b>21</b>	100%
Religion	0	0	0	1	0	1	1	1	1	0	6	<b>11</b>	73%
Color	0	0	0	0	0	0	3	0	1	0	0	<b>4</b>	100%
Other	2	0	0	0	0	0	1	1	0	0	0	<b>4</b>	100%
<b>Total</b>	<b>71</b>	<b>66</b>	<b>94</b>	<b>81</b>	<b>88</b>	<b>88</b>	<b>79</b>	<b>93</b>	<b>95</b>	<b>107</b>	<b>130</b>	<b>992</b>	93%
<b>Source: Fair Housing Center of West Michigan</b>													

Table 3.2 Fair Housing Complaints in the city of Grand Rapids by Transaction Type (1999-2009)												
Transaction	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Rental	65	60	79	66	71	78	59	83	89	104	124	878
Sales	0	1	6	9	5	6	17	9	3	3	4	63
Mortgage	2	5	9	4	7	1	3	1	2	0	2	36
Other	4	0	0	2	5	3	0	0	1	0	0	15
<b>Total</b>	<b>71</b>	<b>66</b>	<b>94</b>	<b>81</b>	<b>88</b>	<b>88</b>	<b>79</b>	<b>93</b>	<b>95</b>	<b>107</b>	<b>130</b>	<b>992</b>
Source: Fair Housing Center of West Michigan												



## HOUSING DISCRIMINATION COMPLAINTS FILED WITH HUD

Although the FHCWM works for resolutions locally, it has filed increasing numbers of cases with HUD for administrative review and investigation. In 2008 and 2009, 215 cases were filed with HUD. Consequently, there will be duplication between FHCWM and HUD statistics. Other entities, including individuals, also file complaints directly with HUD.

Between 1999 and 2009, 7% of Grand Rapids complaints filed with HUD alleged more than one discriminatory practice. In those cases, only issues that appeared first in the complaint records were used for this analysis. It was not always clear from the Issue Code Description what type of transaction occurred. For purposes of this study, cases dealing with *Terms and Conditions* and *Denial of Reasonable Accommodation/Modification* were assumed to be rental. However, it could also include condominium associations.

Between 1999 and 2009, HUD received no complaints regarding religion or color (as recorded first in the complaint file), while age, marital status, and income source are outside of federal jurisdiction. The majority of complaints occurred in rental transactions. Eighty-five (85) percent of cases have been closed; cases remaining open deal primarily with familial status. During this time period, 109 complaints were determined to have insufficient evidence. This determination can include cases in which HUD was unable to identify the respondent and, therefore, was not able to serve the person with the complaint, and so the case was closed. One hundred and one (101) complaints were resolved or withdrawn prior to investigation. Discrimination was found in two cases involving familial status.

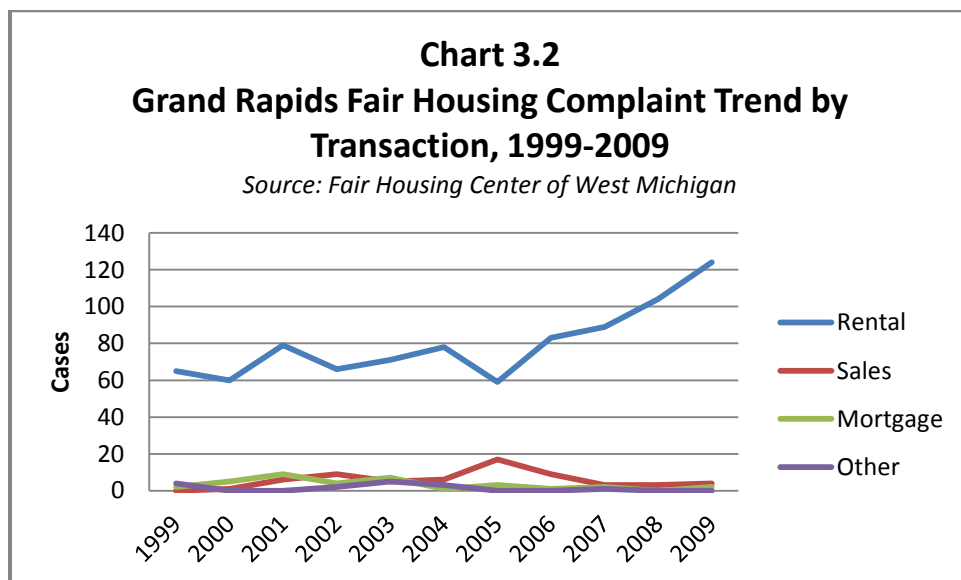
<b>Table 3.3</b>												
<b>HUD Fair Housing Complaints by Basis, 1999 – 2009</b>												
<b>Basis</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Familial Status	0	1	1	2	1	0	1	0	1	112	44	<b>163</b>
Race	1	3	5	13	7	3	2	10	10	4	8	<b>66</b>
Disability Status	2	1	1	1	1	2	0	2	3	0	7	<b>20</b>
Gender	0	1	0	0	0	2	1	0	0	7	1	<b>12</b>
National Origin	0	1	0	0	0	1	0	1	1	2	1	<b>7</b>
Other	0	0	0	0	1	0	0	0	1	0	1	<b>3</b>
Color	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Religion	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>3</b>	<b>7</b>	<b>7</b>	<b>16</b>	<b>10</b>	<b>8</b>	<b>4</b>	<b>13</b>	<b>16</b>	<b>125</b>	<b>62</b>	<b>271</b>
<b>Source: HUD Office of Fair Housing and Equal Opportunity, Region 5</b>												

Table 3.4 HUD Fair Housing Complaints by Transaction, 1999 – 2009												
Transaction	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Rental	3	3	4	11	7	7	3	13	15	120	59	245
Sales	0	2	0	5	0	0	0	0	1	1	0	9
Mortgage	0	2	1	0	1	1	0	0	0	1	0	6
Other	0	0	1	0	0	0	1	0	0	1	0	3
Unknown	0	0	1	0	2	0	0	0	0	2	3	8
<b>Total</b>	<b>3</b>	<b>7</b>	<b>7</b>	<b>16</b>	<b>10</b>	<b>8</b>	<b>4</b>	<b>13</b>	<b>16</b>	<b>125</b>	<b>62</b>	<b>271</b>
Source: HUD Office of Fair Housing and Equal Opportunity, Region 5												

### FAIR HOUSING COMPLAINT TRENDS

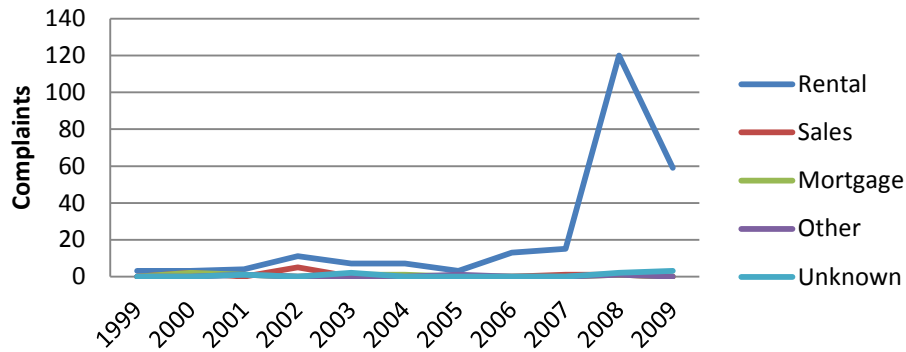
Rental transactions generated the most complaints. Overall, the majority of complaints being filed alleged familial status and racial discrimination. In 2009, familial status and gender sharply increased while disability status saw a moderate increase. (Charts based on raw data, which has not undergone statistical analysis.)

Fair housing experts suggest that the rise in familial status complaints is due to a combination of new, inexperienced landlords who do not understand fair housing laws and internet advertising, where web sites are not considered accountable to fair housing laws in the same manner as newspapers.



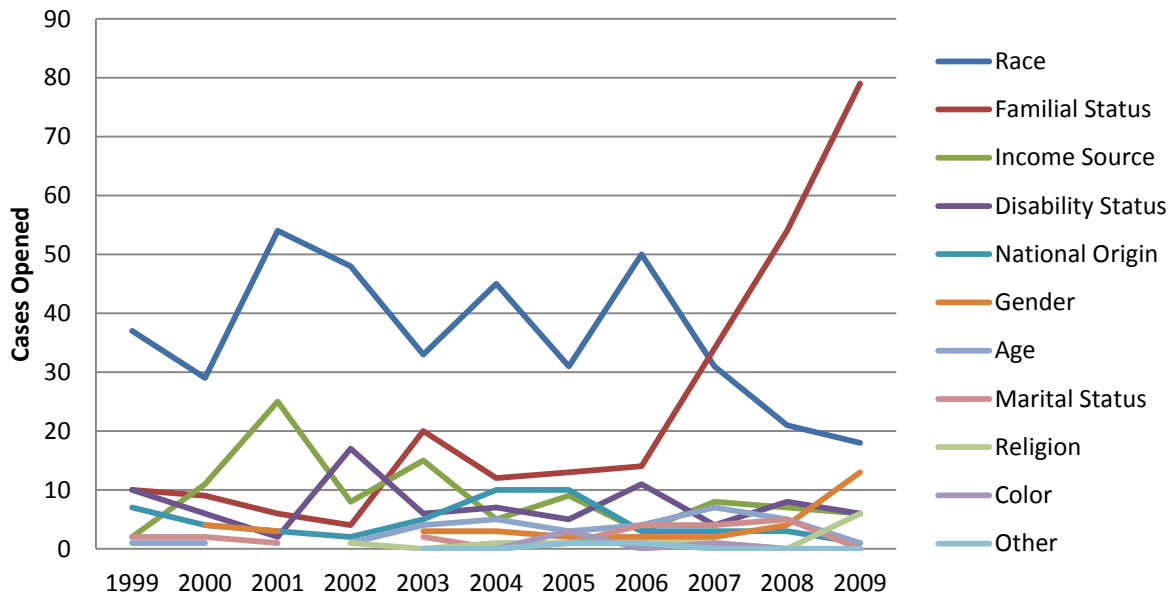
**Chart 3.3**  
**Grand Rapids Fair Housing Complaint Trend with HUD, by Transaction, 1999-2009**

*Source: HUD Office of Fair Housing and Equal Opportunity, Region 5*



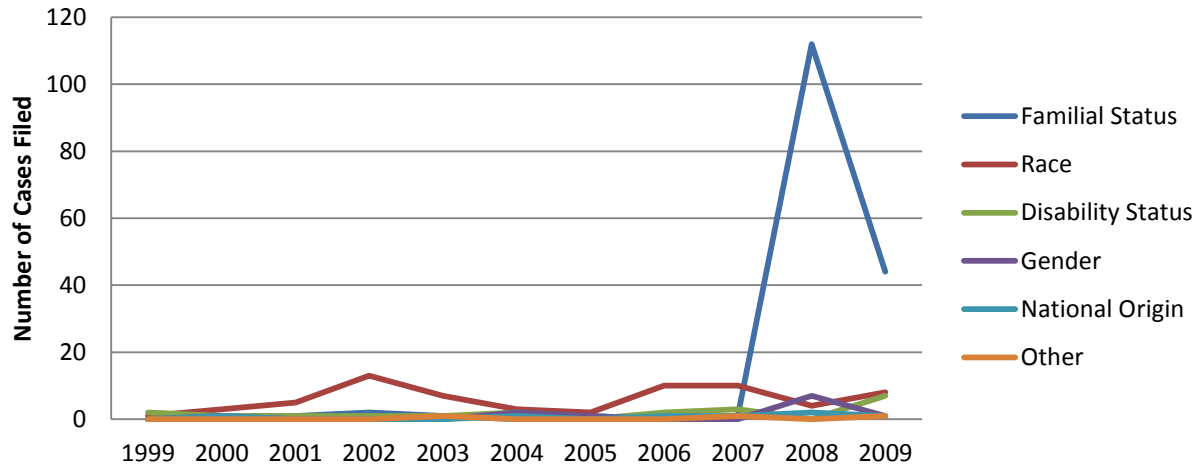
**Chart 3.4**  
**Grand Rapids Fair Housing Complaint Trend, 1999-2009**

*Source: Fair Housing Center of West Michigan*



**Chart 3.5**  
**Grand Rapids Complaints Filed with HUD, 1999 - 2009**

*Source: HUD Office of Fair Housing and Equal Opportunity, Region 5*



## **SECTION IV. REVIEW OF PUBLIC AND PRIVATE SECTOR POLICIES AND PROGRAMS AFFECTING HOUSING**

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### **PUBLIC SECTOR**

The City of Grand Rapids has adopted inclusionary plans and zoning that promote mixed-income, mixed-use development, thereby providing a greater variety of housing and transit options throughout the city. This tends to further, rather than impede, fair housing choice. However, the City cannot lawfully alter the State building codes and, consequently, cannot require a higher standard for accessibility. The City's "Fair Housing" Ordinance has also been difficult to enforce. The following review highlights these policies and ordinances.

### **MASTER PLAN**

Grand Rapids' 2002 Master Plan was the first comprehensive, citywide plan prepared since 1963. Begun in 2000, the planning process drew extensive community participation to gain consensus on a new vision for the community. The Master Plan went beyond broad citywide policies for land use and transportation to make the quality and character of development an important planning consideration. Based on the principles of Smart Growth, the Master Plan's recommendations are organized into seven themes: Great Neighborhoods, Vital Business Districts, A Strong Economy, Balanced Transportation, A City that Enriches Our Lives, A City in Balance with Nature, and Partnerships. Green Grand Rapids, an update to the Master Plan, was recently undertaken and will be formally approved by October 31, 2011. Three of the Master Plan themes were updated during this process based on green infrastructure and quality of life priorities of the community.

**Housing.** The Master Plan's "Great Neighborhoods" section calls for a variety of housing types to meet the needs of a diverse population. The intent is to provide a range of housing within neighborhoods to accommodate all residents regardless of income, special need, or place in the life cycle (e.g. single, married, with children, empty nest, retired). See the Zoning Ordinance below for specific examples. The existing character of neighborhoods should be protected by encouraging new development and rehabilitation to maintain the overall existing patterns of density and sensitivity to the existing context in site planning and architectural design. In addition, mixed-use development that distributes higher density housing in smaller increments throughout the city and offers housing choices is encouraged.

**Transportation.** Land use decisions must be coordinated with efforts to improve and expand transit service, and to create a balanced transportation system that reduces dependence on the automobile. More compact development patterns and higher development densities in some areas of the city will concentrate travel origins and destinations to support more efficient transit operation. The Master Plan includes a number of land use recommendations that reinforce efforts to make transit a viable transportation choice, including:

- Directing higher housing densities to locations on, or within walking distance, of major transit routes;

- Encouraging the creation of compact, walkable mixed-use centers located on existing high ridership bus routes and proposed bus rapid transit routes;
- Encouraging the location of major job centers on transit routes and the provision of incentives for employees to choose the bus over commuting by car.

**Quality and Character.** The Grand Rapids community is concerned about the quality and character of development. Two critical issues serve as the philosophical foundation for the Master Plan's sample guidelines: the appropriate balance between walkability and automobile access, and the importance of compatibility with the built context. The guidelines focus on mixed-use; higher quality, higher density residential development; and green space in the central city.

## **GREEN GRAND RAPIDS**

In 2008, the City of Grand Rapids initiated an update to its 2002 Master Plan. While the Master Plan is still considered a sound policy foundation, a number of new issues had emerged that called for community discussion. This update focused on recommendations that protect, improve and link environmental assets and green spaces in a connected system that improves sustainability, health, and quality of life. Although these recommendations support all of the Master Plan themes, they have been used to update and augment three of the 2002 Master Plan theme chapters: Balanced Transportation, A City that Enriches Our Lives and A City in Balance with Nature. Green Grand Rapids goals include providing a park within a ¼ mile walk of every home, achieving a 40% urban tree canopy, and more quality local food options available in community gardens and farmers markets.

## **ZONING ORDINANCE**

The Zoning Ordinance is the regulatory device that implements the Master Plan. A total re-write of the outdated 1969 ordinance was completed in 2007 and amended in 2008. Key provisions in the ordinance include permitting live-work units, allowing accessory dwelling units in single-family neighborhoods, encouraging mixed-use in commercial district buildings (with housing on the upper floors), and promoting infill development by permitting small homes on narrow lots. Enabling these housing options provides for less expensive types of housing to be built in the city, thus providing greater housing choice. In addition, the new Zoning Ordinance provides a density bonus for mixed-income housing projects; has made it easier for large group foster care homes to be built outside the GTA; and allows social service facilities in residential areas. The Zoning Ordinance also eliminated the requirement for Planning Commission approval for many types of development projects and established staff review and approval standards, thus enabling a developer or builder to obtain faster approval and at a lower fee. Several aspects that may affect a person's access to housing or limit the range of available housing choices are detailed below.

**Variety of Housing Opportunity.** All residential zone districts within the City of Grand Rapids allow either by right or special land use single- and multi-family household dwellings, accessory dwelling units, and group living (see section below). Single Room Occupancy units are allowed in higher-density residential districts. It should be noted that the residential zone

district names are “Low Density Residential” and “Mixed Density Residential;” the ordinance does not identify “single family” or “multi-family” districts. All residential uses as listed are allowed within mixed-use commercial zone districts of the city as well.

**Dispersal Requirements for Group Homes in Single-Family Areas.** State of Michigan law requires by-right placement of adult foster care family homes with six (6) or fewer adults within single-family areas. The Zoning Ordinance generally allows group homes within all residential zone districts, depending upon the size and intensity of the facility. The following group living arrangements are allowed either by right or as a special land use in all residential zone districts: adult foster care homes, assisted living homes, nursing homes, residential rehabilitation facilities, and rooming or boarding houses. There is a dispersal requirement in the ordinance of 1,500 feet from another group home, as allowed by the Michigan Zoning Enabling Act.

**Occupancy Standards.** Occupancy is regulated both by the Housing Code and the Zoning Code. The Housing Code requires at least 120 square feet of habitable floor area for the first person and 100 square feet for each additional person in a dwelling unit. The Zoning Ordinance defines family as one (1) or more persons related by blood, marriage, adoption or guardianship, occupying a dwelling unit and living as a single nonprofit housekeeping unit; or not more than four (4) unrelated individuals eighteen (18) years of age or older living together in one (1) dwelling unit, having a relationship which is functionally equivalent to a family. The relationship must be of a permanent and distinct character, cooking as a single housekeeping unit with a demonstrable and recognizable bond characteristic of a cohesive unit. The following do not qualify as a family: any society, club, fraternity, sorority, association, lodge, organization, coterie, combine, federation, organization which is not a recognized religious order, or group of students or other individuals where the common living arrangement or basis for the establishment of the housekeeping unit is temporary and/or of resort-seasonal character in nature. The term family does not include any adult foster care facility licensed under Public Act No. 218 of 1979 (MCL 400.701 et seq., MSA 16.610(51) et seq.) except an adult foster care family home as defined in Section 3 of that Act (MCL 400.703, MSA 16.610(53)).

This definition of family has been upheld by Michigan courts, which have ruled that it is permissible for a municipality to enact a zoning ordinance that restricts the number of unrelated people who can live together in a single dwelling unit, but must also allow functional families. (*Mid-Michigan Rentals, Inc. v City of Mount Pleasant*, 2003 WL 22439721 [Mich App 2003]; *Charter Township of Delta v Dinolfo*, 419 Mich 253 [1984].)

**Minimum Lot Size Requirements.** The Zoning Ordinance calibrates the lot size requirements based on the era of development for three different neighborhood types. Minimum lot area requirements range from 3,800 to 7,000 square feet for single-family homes. Minimum lot width requirements range from 36 to 60 feet. If the typical lot dimensions in a particular neighborhood are smaller than those required but standard for that neighborhood, the ordinance allows the construction of homes on lots of lesser dimensions. This provision allows affordable housing providers to construct homes on small lots, thereby reducing the land costs associated with housing development and providing a greater variety of housing options.

**Density Bonus and Mixed-Income Incentives.** The Zoning Ordinance contains allowances for additional floors of a building for residential use as well as mixed-income housing. One additional story is permitted where 30% of the Gross Floor Area is committed to residential use; another story may be added where 60% is assigned. Minimum lot area requirements may be reduced by up to 500 square feet per unit where a mix of affordable and market rate housing is provided; this can also be taken as an additional floor.

**Transit.** As noted in the Master Plan section, a central goal of the citizens of Grand Rapids is to create a balanced transportation system. The City Commission has adopted a resolution requiring Complete Streets and City staff has established a multi-disciplinary team to review all street construction projects to ensure that roadways are designed for all users. Mixed-Use Districts are aligned with transit lines and the Zoning Ordinance contains a Transit Oriented Development district that encourages high density development around transit stations. Pedestrian connections to the front door of a building are required, as is the installation of sidewalks for any development project.

**Parking Requirements.** The American Planning Association utilizes the parking provisions of the City of Grand Rapids Zoning Ordinance as a model example of flexible parking rules designed to require minimal parking for each site based on the presence of transit, shared use lots, bicycle facilities, and other measures. The Planning Director has the discretion to waive up to half (50%) of required parking based on various considerations and the Planning Commission can waive all parking requirements. The Development Center reviews all projects for ADA parking requirements (number and placement).

## **DEVELOPMENT CENTER**

Formed in 1998, the Development Center is a one-stop service for plan review and building permit approvals. Most plan reviews are completed in five days or less, and many building permits, including new single-family homes, can be approved within one day. A speedy approval process saves the developer or builder both time and money.

## **UNIFORM BUILDING CODE**

State law requires all municipalities to enforce the Michigan Building/Residential Code or relinquish enforcement to the State. The result for developers and builders is a consistent code from jurisdiction to jurisdiction, thereby reducing uncertainty and construction costs. For developments of three units or more, the City follows the Michigan Building Code, which is based on International Code Council with State of Michigan Amendments, and includes Chapter 11 Accessibility, which references ICC/ANSI A117.1-2003. Under this Code, dwelling units must have accessible features in accordance with chapter 11. Rooms and spaces available to the general public or available for use by residents and serving accessible units shall be accessible. This shall include toilet and bathing rooms, kitchen, living and dining areas, and any exterior spaces including patios, terraces and balconies. For developments smaller than three units, the City follows the Michigan Residential Code, which is based on International Code Council with State of Michigan Amendments. Under this Code, single family homes are not required to be accessible.

## **MICHIGAN REHABILITATION CODE**

The Michigan Rehabilitation Code provides an optional, and typically more flexible, approach to the rehabilitation of existing buildings. The City uses this Code at the request of the developer or builder. When a building permit is required for an alteration, this Code requires that the element which is altered comply with the applicable provisions in chapter 11 Accessibility of the Building code and ICC/A117.1 unless technically infeasible. This effectively means the rehabilitation will comply with new construction provisions, including accessibility when feasible. The flexibility of this Code usually results in reduced construction costs allowing for greater housing affordability.

## **IMPACT FEES**

The City of Grand Rapids does not attach impact fees to developments. In fact, there is considerable opinion to suggest that such fees cannot be levied under Michigan law.

## **DEMOLITION POLICY**

A residential property may not be demolished in the city unless it meets one of three conditions. It must be under Repair or Demolish Orders under the Housing Code, be deemed a serious threat to health and safety under the Building Code, or have a redevelopment plan approved by Planning Department staff or the Planning Commission. As a result, homes are more likely to remain in the affordable housing stock.

## **COMPOSITION OF PLANNING AND ZONING BOARDS**

The Grand Rapids City Commission is always seeking willing volunteers to serve on citizen boards or commissions. The City Commission appoints approximately 260 citizens to 40 boards and commissions that are designed to give citizen input, to review City programs, and to make recommendations to the City Commission. The City Commission makes every effort to have representation from the City's three wards, as well as the racial, ethnic, and gender composition of the community on each of the boards and commissions. Twenty two percent (22%) of Planning Commission members and 33% of Zoning Board of Appeals regular members are minorities and women. It should be noted that the pool of available volunteers is limited to those who express interest in serving.

## **EQUAL PROVISION OF GOVERNMENT SERVICES**

The City of Grand Rapids strives to provide services fairly and equitably throughout the city. City Commission Policy 100-04 states:

There is no room for racism in Grand Rapids City government – be it in the Police Department or elsewhere. There is also no room for any sort of invidious discrimination in the provision of any City service or for any action or inaction by the City or its employees that results in an abridgment of civil or constitutional rights. The City Commission hereby affirms its long-standing support of fair, lawful and nondiscriminatory service to the people of the City

regardless of which City department delivers the service. The City Commission also reaffirms its position that public services provided by the City must be provided without unlawful discrimination based upon race, color, creed, national origin, ancestry, age, sex, marital status, handicap or gender orientation.

## **HEALTH AND SAFETY**

The Code Compliance Division of the Community Development Department is responsible for enforcing codes that govern the maintenance and upkeep of residential property, as well as various health and safety codes. The goal is to preserve the city's housing stock and stabilize neighborhoods through consistent application of ordinances. To that end, Code Compliance Officers may perform both exterior and interior inspections of dwellings. Codes enforced include Title VIII, Chapter 140 Housing; Title IX, Chapter 151 Nuisance, Chapter 169 Home Safety (Smoke Detectors); Title IV, Chapter 51, Sec. 4.28 Address Identification; Title VI, Chapter 71 Clean Indoor Air (Smoking Ordinance); Chapter 61 Zoning Ordinance; and Chapter 135, Building Maintenance Code.

The City of Grand Rapids Housing Code (Chapter 140) requires property owners or managers of all apartment buildings, hotels, rooming houses, and vacant or abandoned residential buildings to register the properties with the City. Rental properties, including single family units, must be registered at least every four years or any time there is a change in ownership or owner information such as address or telephone number. City Housing Code defines rental property as a dwelling (or any part) not occupied as a residence by the owner (whether the unit/dwelling is vacant or occupied). This includes occupancy by family members living in a separate dwelling unit. Rental property registration is not required for jails, hospitals, skilled care facilities, school dormitories, and assisted living facilities.

Rental properties also require periodic certifications. Code Compliance Officers perform an interior and exterior inspection of the property. Properties meeting the minimum code requirement are issued a Certificate of Compliance (the Grand Rapids Housing Code contains different requirements than HUD's Housing Quality Standards). Compliant properties are posted on the Code Compliance web page. This transparency helps citizens identify quality rental housing. Currently, single family units are not required to be certified, although there is discussion to add them.

Property owners are allowed reasonable time to remedy code violations. When non-hazardous housing complaints are received, a notice of the complaint is sent to the owner allowing three weeks to correct the condition. Following inspection, if the problem is not resolved, a notice is sent to the owner allowing reasonable time to make repairs. This notice may be appealed and an extension from six months to one year may be granted. If the issue is still not resolved, the case may proceed to criminal or civil prosecution in an effort to gain compliance.

## TARGETED HOUSING AND COMMUNITY DEVELOPMENT RESOURCES

At the onset of the Community Development Block Grant program in the mid-1970s, federal regulations required that certain activities be geographically concentrated. Although the requirement has since been lifted, the City continues its targeting approach to concentrate activities and limited resources on areas of greatest need. See Map 2.2.

**General Target Area (GTA).** The GTA was identified using income and housing data, and the boundaries have been adjusted over time as decennial Census data at the block group level becomes available. Within the GTA, at least 50% of residents have low and moderate incomes. Residents of the GTA have access to a broad range of services, including housing programs and legal assistance. As of the 2000 Census, 47% of the city's population lived in the GTA.

**Specific Target Area (STA).** Within the GTA are Specific Target Areas (STA). The STAs are residential neighborhoods where at least 51% of residents are low and moderate income. Residents of the STAs have access to major housing rehabilitation programs, street improvements, concentrated code enforcement, curb ramps, and support for neighborhood associations. The majority of housing and community development program funds are spent in these neighborhoods.

**City-wide programming.** City-wide programming is employed for certain programs and activities that promote the de-concentration of poverty. City-wide services are also available to income-eligible residents for handicap accessibility and minor home repairs. HOME and Emergency Solutions Grant funds may be used anywhere in the city, provided they benefit income-eligible people.

## TAX ASSESSMENT/ABATEMENT PRACTICES

Tax relief policies can help lower-income homeowners keep their home. They also promote fair housing as they help preserve homeownership opportunities for populations that otherwise would have only rental options. Such policies help developers create new affordable rental opportunities.

**Payment Plans for Real Property Taxes.** The manner by which property taxes are billed and collected is established by law. There is no provision in the Michigan statutes for payment plans. Local treasurers are responsible for distributing summer tax bills July 1, and there is not a payment plan that can be offered. However, Grand Rapids ordinance does permit installment payments. Taxpayers may, at any time after taxes are levied and prior to the beginning of March of the following year, pay City and school taxes in installments of not less than one-sixth of the amount of the original tax plus penalties due on the portion so paid to the date of payment. No partial payment shall be less than ten (\$10.00) dollars.

**Real Property Poverty Exemption Program.** State law (Section 7u of the General Property Tax Act, MCL 211.7u) allows a property tax exemption for the homestead of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward their property tax bill. City Commission Policy 700-07 provides local program

guidelines. Taxpayers must apply annually for the exemption, which provides partial or complete discharge, or “forgiveness,” from property taxes for households that meet program requirements. Taxpayers must fill out a Poverty Exemption Application and complete the corresponding Poverty Worksheet. The Board of Review uses adopted poverty exemption income guidelines and an asset level test to determine eligibility.

**Property Tax Deferments.** Real property owners can defer the payment of their summer tax bill until the following February 14 (or March, if they do not receive a Michigan property tax credit refund check) if they meet the income threshold and one other condition including age, disability status, or eligible serviceperson/veteran/widow/widower. The deferment assists those who are experiencing a financial hardship in paying their taxes until they receive their Michigan property tax credit check.

**Payment in Lieu of Taxes (PILOT) Policy.** The City Commission, on a case-by-case basis, may permit a 4% payment in lieu of property taxes for rental developments that serve lower-income persons. Developments intended to serve formerly homeless persons may have the payment waived in full. This policy has the effect of reducing the carrying costs of certain rental developments, thereby increasing their affordability.

**Nonprofit Housing Tax Exemption.** Under City Commission Policy 900-50, certain types of nonprofit organizations may receive a property tax exemption for single family or two-unit properties that are intended for resale to low-income people. The exemption lasts for two years or until ownership of the property is transferred to a low-income person, whichever comes first. This policy has the effect of increasing the availability of affordable housing and home ownership among low-income residents by reducing the nonprofit’s carrying costs.

## **“FAIR HOUSING” ORDINANCE**

As noted in the Introduction, the City of Grand Rapids has codified its commitment to fair housing. City Code, Chapter 160 - Discrimination in Real Property Transactions, Sec. 9.362 – Policy, assures equal opportunity for all people to live in adequate housing facilities regardless of race, color, religion, ancestry or national origin, age, sex, marital status, familial status, handicapped status, source of lawful income, or public assistance recipient status. Source of lawful income and receipt of public assistance are protections only offered at the local level. However, they have been difficult to enforce. Under the City Charter, a City employee must sign all appearance tickets for violation of City Code. In order to do so, the City employee must be able to swear under oath that they have personal knowledge of the facts giving rise to the ordinance violation. For those violations of the City’s ordinance regarding source of income that come to light only through the work of FHCWM, the City cannot issue a ticket unless a City employee conducts an independent investigation and verifies the alleged discrimination.

## PRIVATE SECTOR

Impediments to fair housing choice can appear in the sale and rental of real estate. The FHCWM has worked in this sector for many years providing education and enforcement activities. This review did not find obviously discriminatory language in traditional media, but did find discrimination in emerging media such as web sites. With regard to the lending industry, this review found racial and income disparities but could not attribute them to discrimination or legitimate credit concerns. These findings suggest further investigation may be needed. Whatever the reason for disparities, they often lead to community destabilization.

### ADVERTISING AND THE REAL ESTATE INDUSTRY

The federal fair housing law makes it illegal to discriminate or give preference based on race, color, religion, sex, handicap, familial status, or national origin in advertising. Advertising includes written or oral notices or statements such as applications, flyers, brochures, deeds, signs, banners, posters, billboards or any documents used with respect to the sale or rental of a dwelling.<sup>28</sup>

Prior to May 1996, advertisers and newspapers were required to include the Equal Housing Opportunity logo or slogan in ads. Although this section, 24 CFR Part 109, was withdrawn from the Code of Federal Regulations, it appears to still represent HUD's position on advertising, except as superseded by official memos. In addition to excluding ads that contain discriminatory language, newspapers are advised to include a *Publisher's Notice* stating that fair housing laws govern all housing advertised in the classified section of the paper, and housing advertisements (including lending) should contain a legible "Equal Housing Opportunity" logo (advertising smaller than 4 column inches can contain the slogan instead). Human models should represent both majority and minority groups.

In Grand Rapids, primary real estate and apartment advertising media include the *Grand Rapids Press*, the *Advance* newspapers, the Grand Rapids Association of Realtors® web site, and other internet advertising. No significant sources of television or radio housing advertising were identified.

**The Grand Rapids Press.** The *Press* reaches nearly 82% of adults across West Michigan on Sunday and 59% on weekdays.<sup>29</sup> It claims that advertising over four Sundays will reach more than 498,480 adults. Two Grand Rapids Press publications were analyzed for compliance with Fair Housing law and HUD recommendations: Sunday edition (8/8/10) and the free Homes Extra (August 2010).

No obviously discriminatory language was found. A few advertisements referred to "family" or "executive" homes. Both publications included the *Publisher's Notice* with proper telephone numbers for reporting discrimination complaints. However, the optional Equal Housing Opportunity (EHO) logo was found to be missing in a substantial number of real estate advertisements four column inches or larger (44% and 52% respectively), and very few smaller ads used the slogan or an abbreviation (1% and 0% respectively). Few advertisements used human models. When models and Realtor® photographs were combined, 20% appeared to be minorities.

**The Advance.** The *Advance* is a local, weekly newspaper that produces seven different versions for seven different regions. Combined, these papers have a circulation of 192,160. Advertisers can place ads in a single region, or in any combination of regions. This study examined the August 3, 2010 Northeast and Northwest editions, which are the only papers with circulation within the city limits.

No obviously discriminatory language was found. The Publishers Notice was present in both papers. No advertisements were greater than four column inches (therefore no ads needed to include a logo) and there were no human models. The Equal Housing Opportunity slogan or abbreviation was present in about 1 in 5 ads (22% and 20% respectively).

**Grand Rapids Association of Realtors (GRAR) Web Site.** The GRAR public multiple listing web site is not a traditional advertising outlet such as a newspaper. However, it is one of the most comprehensive, free, publically available sources of real estate listings in the area. The listings contain detailed property data and most descriptions are appealing to buyers. On August 10, 2010, over 1,500 residential single family properties were listed on GRAR's web site in the Grand Rapids Public School system (which is contained within the city limits). A random sample was taken, analyzing every fourth property listed.

No obviously discriminatory language was found. Some listings described properties as "family home," "family value," or "perfect for young family." These descriptions and similar ones appeared to address the size of the property (bedrooms, square footage, etc.). Most listings described location in reference to parks, neighborhoods, amenities, and sometimes schools. One cited a specific church nearby. These references appeared to address location and did not indicate a clear preference for or exclusion of any class. No Publisher's Notice was found. No listings included any reference to Equal Housing Opportunity. No listings included human models. However, realtors frequently included their photographs, of which 6% appeared to be minorities.

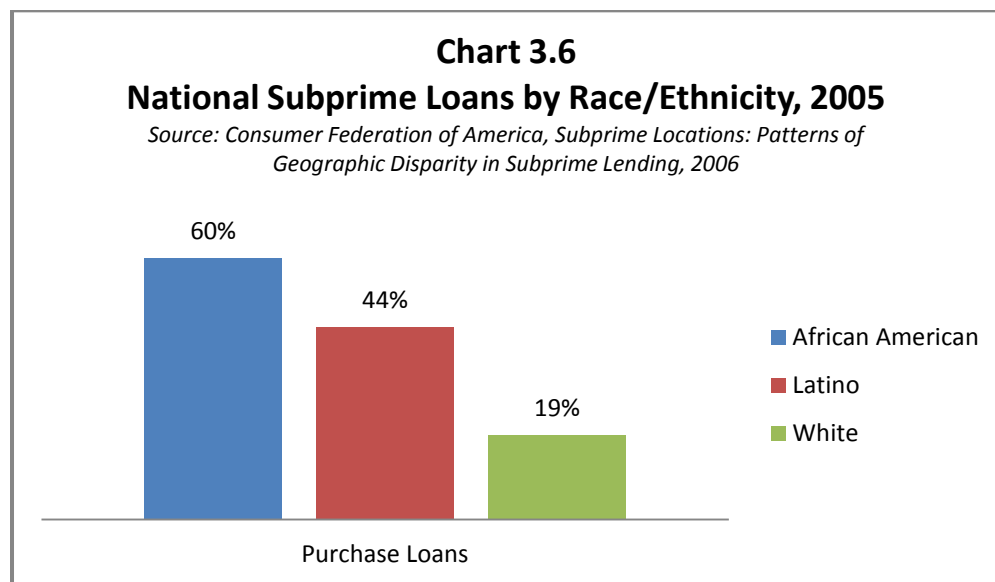
**Internet Advertising.** The internet is a popular and inexpensive way to advertise properties for sale and rent, and marketing resources<sup>30</sup> show that younger people often rely on the internet more than newspapers to find information. In 2009, the FHCWM found over 90 discriminatory online advertisements. About 88% of these were against families with children.<sup>31</sup>

## RESIDENTIAL MORTGAGE LENDING

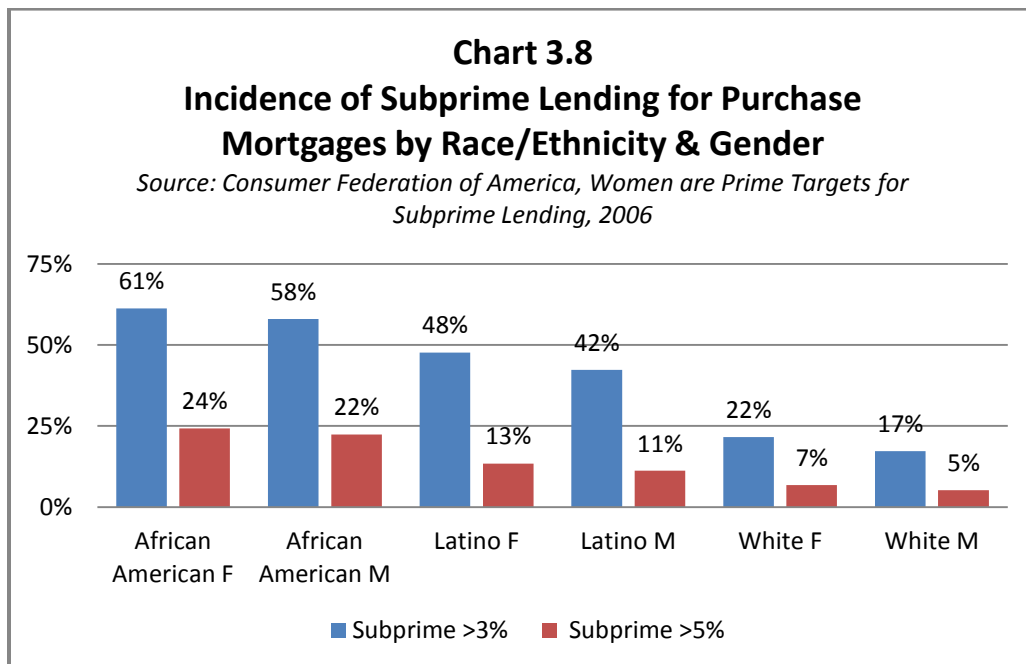
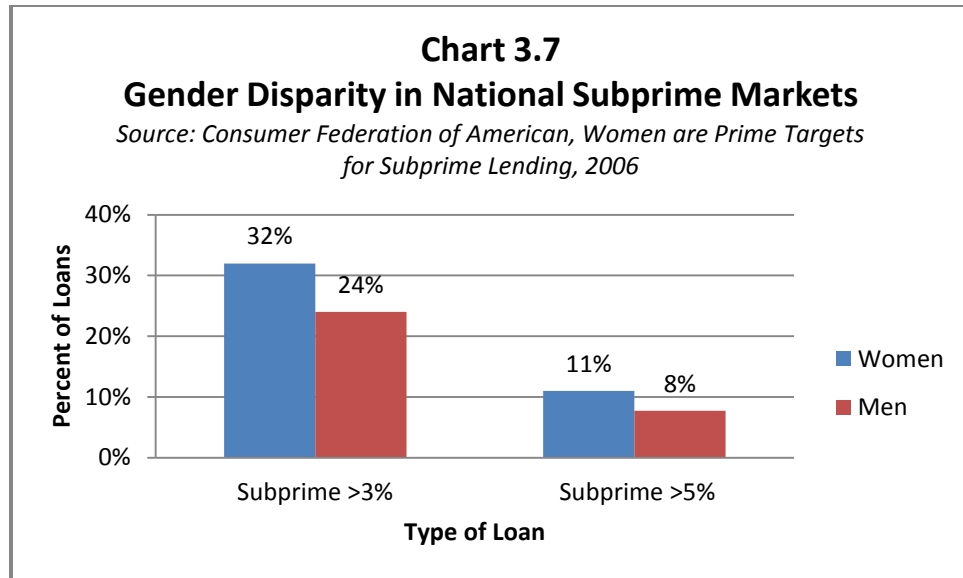
The 1975 United States Home Mortgage Disclosure Act (HMDA) requires financial institutions to maintain and annually disclose data about home purchases, home purchase pre-approvals, home improvement and refinance applications that involve 1 to 4 multi-family dwellings. A 1992 analysis by the Federal Reserve Bank of Boston, with the cooperation of the federal financial institutions regulatory agencies and HUD, found that, even after controlling for differences in relevant economic and financial variables, Black and Hispanic mortgage applicants were more likely to be turned down than similarly situated Whites.<sup>32</sup> More recent studies also confirm that disparities exist in the lending industry.

**National Subprime Trends.** Prime loans have rates that do not exceed 3% over the comparable Treasury rate. Subprime or high cost loans have rates that exceed 3%. A national study examined HMDA data of single-family, first lien conventional refinance loans. Findings revealed an increase in subprime lending from 1994 (5%) to 2005 (20%). Additionally, in 2005 over 80% of these loans were adjustable rate loans, meaning that they could get even more expensive in a few years.<sup>33</sup>

Subprime loans are generally more expensive to compensate lenders for the perceived increased risk in lending to borrowers with weak credit histories. Two national studies that controlled for differences in credit score/debt load, borrower income, gender, property location, and loan amount, found significant racial disparities in the subprime market.<sup>34</sup>

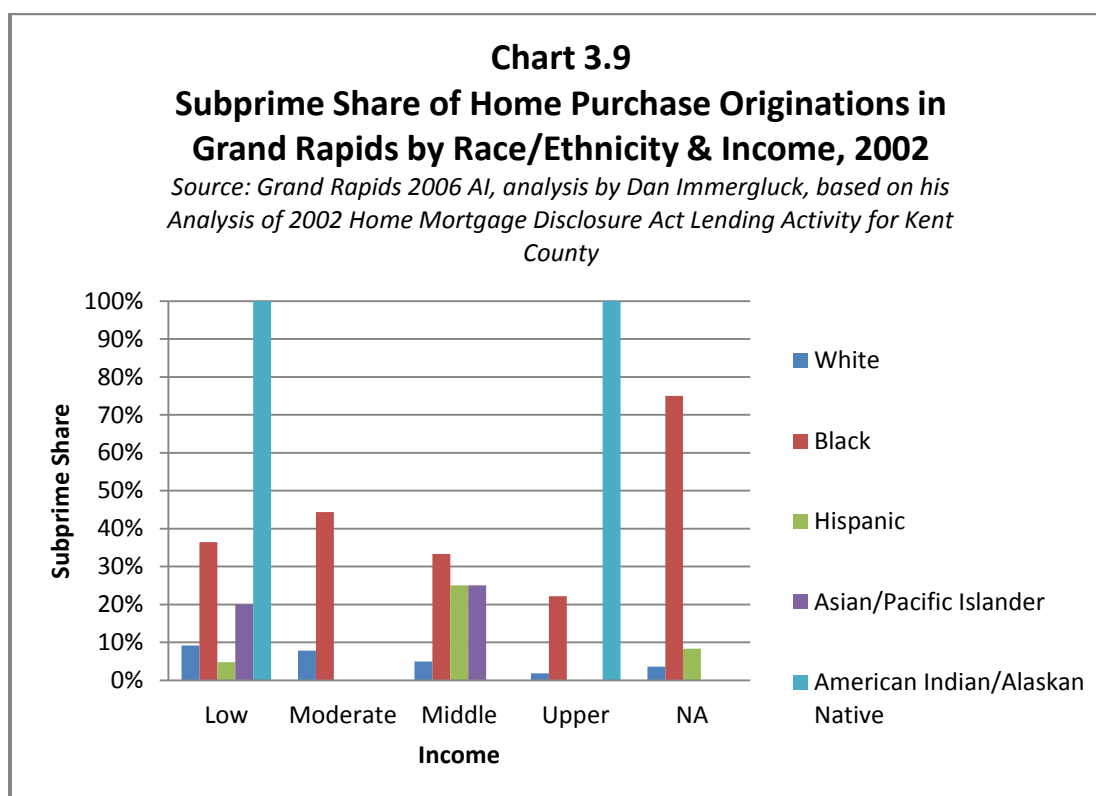


Another study found gender disparities in subprime lending. This study found that women were more likely to receive subprime and higher-cost mortgages of all types regardless of income, and the disparity between men and women increased as incomes rose. Women earning more than twice the median income were 46% more likely than men in the same income range to receive subprime purchase mortgages.<sup>35</sup>



**Grand Rapids Trends.** Based on 2002 HMDA data, a study analyzed home purchase and refinance loans within the 37 census tracts located completely within the city of Grand Rapids. Looking at conventional loans (not government-guaranteed), the study found disparities between neighborhoods based on race and income. Higher proportions of subprime loans were found in predominately minority and lower-income neighborhoods. The share of subprime originations in minority neighborhoods was between 5.5 and 6.2 times that in white neighborhoods, while the share in lower-income neighborhoods was between 3.1 and 4.7 times the share in upper-income neighborhoods. (Loans were categorized as subprime if the lender was on HUD's subprime lender list, because these lenders indicate that most of their loans are

intended for borrowers with impaired credit. Limitations to the study include the fact that some prime lenders do make subprime loans, while some subprime lenders make a limited number of prime loans.)<sup>36</sup>



It is impossible to attribute these disparities to either discrimination or legitimate concerns because HMDA data did not identify loan pricing or credit history. However, the study noted that loan applications may be initiated as much by lenders as by applicants (especially refinance loans), indicating that lenders' marketing behavior plays a strong role in where applications are taken and from whom. None of the top 20 home purchase lenders (conventional applications) in predominately white neighborhoods were on HUD's subprime lender list, while 35% of the top 20 lenders in predominately minority neighborhoods were on the list.<sup>37</sup> Considering that national studies have found disparities even when controlling for credit scores and other factors, it is possible that these Grand Rapids patterns point to discrimination in the lending industry.

Moving forward to 2005, Table 3.5 illustrates that the Grand Rapids lending market had a disproportionate rate of subprime refinance loans when compared to national medians. Table 3.6 demonstrates that in 2008 minorities received proportionately more high cost loans than Whites. Nearly 23% of all home loans made to African Americans and Hispanics in Grand Rapids were subprime.<sup>38</sup> Again, it is not possible to attribute these disparities to discrimination or other legitimate concerns. Whatever the reason for these rates of subprime loans, they often lead to community destabilization. These findings suggest further investigation may be needed.

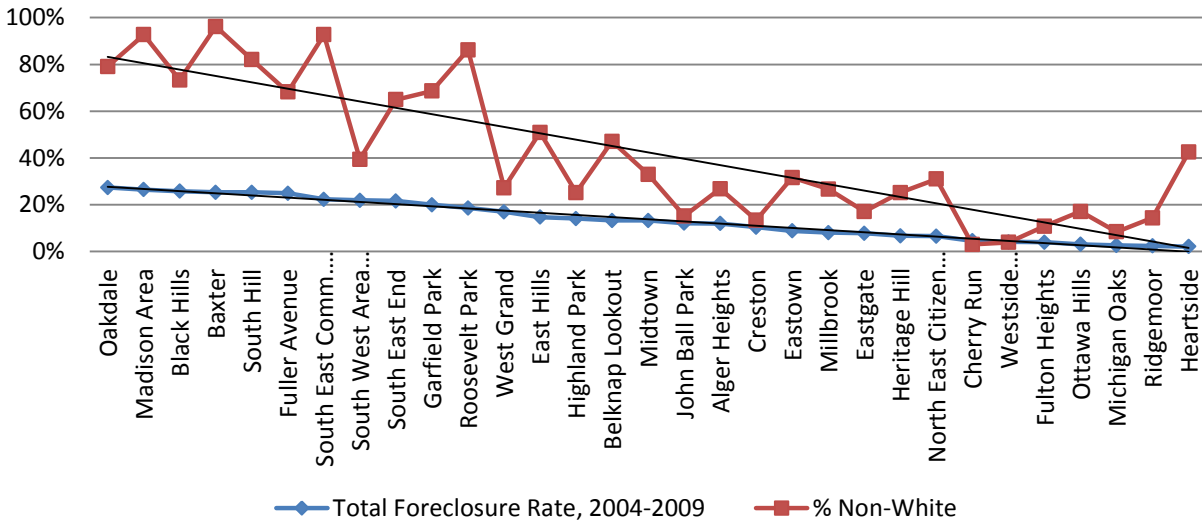
Table 3.5 2005 Refinance Lending Disparities			
	Prime Loans	Subprime >3%	Subprime >5%
National MSA Median	69%	31%	11%
Grand Rapids MSA	63%	37%	15%
National State Median	70%	31%	11%
Michigan	64%	36%	15%
Source: Consumer Federation of America, Subprime Locations: Patters of Geographic Disparity in Subprime Lending, 2006			

Table 3.6 2008 Home Loans in Grand Rapids by Race and Ethnicity					
	Prime	High Cost	Total	Percent Prime	Percent High Cost
White	2061	258	2319	89%	11%
African American	160	43	203	79%	21%
Hispanic	116	39	155	75%	25%
Source: TRF PolicyMap HMDA data					

**Foreclosure.** Grand Rapids has been hit hard by the foreclosure crisis. Between 2004 and 2007, foreclosure rates increased 179%,<sup>39</sup> and by December 2010, 15.3% of all city homes had been foreclosed.<sup>40</sup> A 2008 report documented foreclosure disparities among neighborhoods, showing that low-income and African-American neighborhoods were disproportionately affected by foreclosure. In particular, five neighborhoods (Baxter, Fuller Avenue, Madison Area, South East Community Association, and Oakdale) had rates more than twice the city rate, and four of these had shown early signs of distress.<sup>41</sup> Chart 2.26 illustrates that neighborhoods with higher minority populations generally had higher foreclosure rates. The top 11 neighborhoods for foreclosures – with one exception – had minority populations over 60%.

**Chart 4.1**  
**Comparison of Grand Rapids Neighborhood**  
**Foreclosure Rates (2004-2009) and Racial Composition**

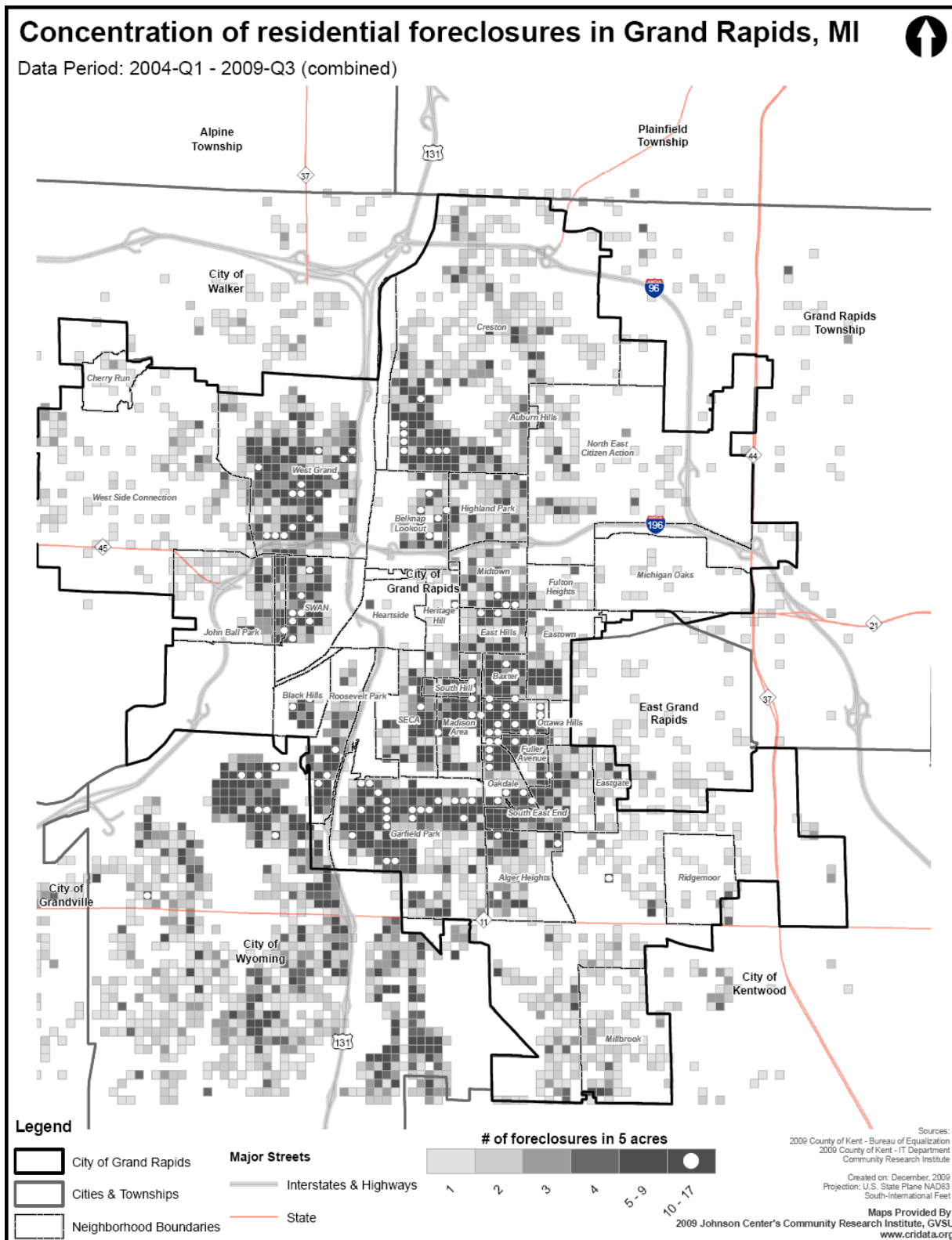
*Source: GVSU Community Research Institute; U.S. Census 2000*



Map 2.6 below shows the combined concentration of foreclosures for 2004 through the third quarter of 2009.<sup>42</sup> Foreclosures are concentrated in the General Target Area, which has higher housing density and older housing stock. It also contains a high rate of low- to moderate-income people, many of whom are minorities who have higher unemployment.

## Map 2.6

Source: Grand Valley State University Community Research Institute



**Community Destabilization.** Lack of access to good loans can destabilize communities. Lack of access can occur through discriminatory practices (such as unwillingness to modify loans based on vocal characteristics over the telephone), closing of neighborhood bank branches, or even through the lack of available comparable homes during a real estate transaction, when the home for sale is in better condition than others in the neighborhood. When good loans are not available, people may turn to subprime loans to secure their housing. Studies have found that subprime loans lead to greater foreclosure rates, which, because of geographic concentration, significantly affect minority and low-income neighborhoods.<sup>43</sup> This has a destabilizing effect upon the community. Overall, the estimated cost to homeowners, lenders, neighborhoods, and governments is about \$80,000 per foreclosure.<sup>44</sup>

Homeowners who are forced into foreclosure face a difficult future. They have lost their shelter, their key asset, and their credit scores are tarnished. Some are not able to find a new home due to their credit scores and many move in with family members.<sup>45</sup> Many need to find employment. It can take years before they own a home again.

Neighbors are affected because foreclosures lower property values and quality of life, and raise insurance costs and crime rates. One study found that property values in low- and moderate-income neighborhoods decreased about 1.4% for each conventional foreclosure within an eighth of a mile radius.<sup>46</sup> Especially in lower income neighborhoods, property devaluation is often followed by disinvestment. Fire and decay threaten physical safety.<sup>47</sup> A high number of foreclosures results in a higher rate of neighborhood crime,<sup>48</sup> especially violent crime.<sup>49</sup>

Foreclosure significantly affects local governments and schools through reduced tax revenues and increased costs associated with health and safety response and maintenance. Some estimates place these additional costs to government as high as \$27,000 to \$30,000 per property.<sup>50</sup> Public and nonprofit social service resources are also stretched thin as the need for assistance rises.

## **SECTION V. COMMUNITY PERCEPTIONS OF IMPEDIMENTS TO FAIR HOUSING CHOICE IN GRAND RAPIDS**

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In addition to the research outlined above, qualitative data was gathered from Grand Rapids community members through roundtable discussions and a survey. Roundtable participants most often discussed people with disabilities, seniors, and low-income people. However, survey respondents thought that most discrimination was based on race. Religion never appeared in discussions or survey responses. These results may reflect the missions of the advocacy groups that responded to the invitation to participate.

Although it is understood that low-income people are not a protected class, there are many interconnections between affordable housing and fair housing. Equal access rests largely upon the existence of housing opportunity. Furthermore, the local fair housing ordinance prohibits discrimination based on source of income, including Section 8 rental assistance. The association between affordable housing and fair housing was often blurred in community conversations and a significant amount of information related to affordable housing was brought out, such as proximity of affordable, accessible housing to transportation and good jobs. While not included here, it has been used to inform the development of the FY 2012 – FY 2016 Consolidated Housing and Community Development Plan.

### **2008 FAIR HOUSING ROUNDTABLES**

Two roundtable discussions were held with people involved in the local housing market, including representatives from local government, the development community, the lending and real estate industries, community-based organizations, community development corporations, and housing counseling groups (see Appendix B for a list of organizations). The participants were asked to address two questions:

- What are the main impediments to fair housing choice that exist in the Grand Rapids area?
- What actions should the City of Grand Rapids take to address these impediments?

Discussions were organized around areas where secondary research suggested barriers to fair housing appear. The following is a summary of ideas expressed by individuals in attendance, and are not necessarily the opinions of the City of Grand Rapids.

#### Access to Appropriate Housing

Sufficient housing is not available to several groups, including people with disabilities under the age of 60 with families and people younger than 55. Housing is also not available to some low-income people who do not have vouchers.

#### Disability

People with disabilities experience discrimination because of their perceived inability to care for themselves or the fear that they will cause harm (ex: not using a stove properly). Terminology such as “reasonable accommodation” is poorly interpreted, often leading to discrimination.

### Age

The aging population is increasing and faces similar barriers as people with disabilities. Seniors trying to rent experience discrimination because of their perceived frailty and inability to care for themselves, or the fear that they will cause harm (ex: not using a stove properly). Older adults also experience discrimination when transitioning from a nursing home to permanent housing.

### Education

There is a lack of awareness about laws and rights under the Fair Housing Act and available resources in the community. This leads to discrimination in housing choice. Many uninformed new landlords (owners facing foreclosure or investors) don't understand Fair Housing responsibilities, which can lead to rental abuse. Also, renters often do not understand their rights and how to be a good tenant.

### Language

There are very limited resources for non-English speaking home seekers (whether buyers or renters) in the real estate industry. Language barriers can create misunderstandings between landlords and tenants who cannot understand each other. The lack of interpreters leads some non-English speakers to use their children to translate sophisticated documents (ex: intent to contract documents), which they might not actually understand. These language barriers may create inadvertent barriers to fair housing choice for people in protected classes such as Race/Ethnicity/National Origin.

### Lending

Lenders are beginning to steer based on schools and preapprovals. "Unbanked" workers are also victims of predatory loan practices. Loans are not available for people with no or alternative credit, and people who are turned down are not referred to agencies that can help with credit repair. There is a lack of legitimate, non-profit credit repair/counseling agencies. There is also a lack of experienced mortgage lenders who know how to use government lending and non-profit programs.

### Employment

Due to discrimination, there is a lack of access to housing near good jobs. This perpetuates issues of affordability.

### Policy

There is a lack of protection under the law for past criminal history and foreclosures. More support is needed for fair housing/predatory lending legislation from local officials. Unenforced policies lead to barriers (ex: only a City employee can sign an appearance ticket for violation of City code, but no City employees have personal knowledge of the facts that support a charge of housing discrimination based on source of income, so the Attorney's office can't successfully prosecute violations of the local ordinance). Renaissance Zones favor the wealthy.

### Housing Choice Vouchers (Section 8)

There seem to be delays and barriers to processing the vouchers, making the program unappealing to some landlords. Section 8 program staff seems to be concerned about "not permanent" people making their own decisions.

### Resources

Insufficient funding for fair housing services. There is a lack of funding for fair housing services and other activities outside of the city's General Target Area. A lack of funding from non-entitlement communities places a greater burden on Grand Rapids.

### Real Estate Practices

More than any other category, race appeared in the discussion of real estate practices. A number of barriers to fair housing choice were identified, including racial steering that limits housing choices and discriminatory advertising (including web-based advertising). Steering based on schools was cited as a pretext for racial steering. Also identified were a lack of minority real estate professionals, homebuyers who are uninformed about lending practices, and lenders' fear of mortgage products available to low/moderate-income households.

### Segregation

Three protected categories mentioned in this section included race/ethnicity, people with disabilities, and seniors. Schools are largely segregated by race. The separation of people with disabilities into "special" developments was specifically identified. Steering and segregation leads to a reduced ability to gain equity for protected classes, which reinforces the difficulties of housing choice. When the disadvantaged become concentrated in an area, it leads to a lack of modeling and diversity. This leads to a lack of awareness of other cultures, which can reinforce stereotypes and prejudice.

### Other

Lack of communication between the community and professionals in the field, and neighborhood opposition to group homes of any size.

## **2009 FAIR HOUSING SURVEY**

Following the roundtable discussions, an electronic survey was sent to community members. Forty-one (41) people responded to the survey. The top four industries to respond were real estate, nonprofit housing, financial services, and nonprofit services.

### Fair Housing Laws and Training

A majority of respondents (85%) had received training in fair housing laws at work and most people thought that their level of training was adequate. However, 5% thought it was inadequate and 10% didn't know. One third had also learned about fair housing laws on their own, with no training. Although the majority thought that fair housing laws were clearly understandable, nearly 20% disagreed. The majority thought fair housing laws could be easily followed.

Industries identified as least informed about fair housing laws included real estate, local media outlets, landlords, and for-profit development organizations. (Real estate was the most represented industry among respondents, which may have influenced this response.)

### Discrimination among Protected Classes

By far, Race/Ethnicity/Color/National Origin was thought to be the area in which discrimination is most prevalent (83%). Familial status was second (44%), followed by disability status (34%),

then age (20%), and finally sex (5%). No respondent cited religion as an area of discrimination.

### Strategies to Address Fair Housing Choice

Topping the list of choices in a tie, respondents wanted to see more coordination of community services and training/workshops.

### Open-ended Questions

*What barriers exist to affirmatively further fair housing choice in Grand Rapids?*

Selected responses:

- Prejudice, bias, classism, ignorance.
- Community denial of racism and homophobia.
- Lack of information.
- Lack of enforcement and monitoring of property owners who own scattered sight rental housing.
- Lack of accessible housing supply.

*What city policies, if any, adversely affect fair housing choice?*

With the exception of general zoning laws, answers tended to focus on procedure and practice or lack of policies, rather than specific, existing policies. One respondent noted the positive effect that adding source of income to the City's antidiscrimination law has had. Selected responses include:

- Zoning laws and restrictions for developments, new and existing.
- Lack of enforcement of accessibility standards.
- The city does little to inspect single family rentals for quality and safety.

*What type of information about fair housing choice would benefit your area of work?*

Handouts for industry and the public, and a source of web-based information were both requested. Education on various topics was also requested, with real life examples and quantitative data to support it. Better communication within the industry and enforcement were also needed. Positive messages that focus on win-win for both sides should be developed.

*Please provide any additional comments about fair housing choice in Grand Rapids.*

This question elicited a wide range of responses. Some noted barriers. Several respondents observed there has been growth in Grand Rapids and commented on programs that work, including Section 8 vouchers and the Fair Housing Center's programs. Others provided strategies to address fair housing choice. Selected responses:

- Key to fair housing is education, communication, and awareness/understanding. Anything done to improve any of those three will result in improved standards of conduct.
- Mediation should be used as part of enforcement. Educate violators and give them the opportunity to correct their violation.
- A major study of the issues with wide-spread distribution of the results, followed by an intensive community education process would be useful.
- More access to training would be helpful.

## SELECTED COMMUNITY SUGGESTIONS

### HOUSING

- Build more accessible, barrier free, affordable housing for people in all life stages, including public housing, rental property, family units with 2+ bedrooms, supportive housing, and housing for released felons with disabilities.
- Advocate for universal design in new development and rehabilitation projects, including public housing.
- Conduct pre-reviews of development plans for accessibility.
- Enforce accessibility violations in design and construction.
- Build more subsidized housing.

### LANGUAGE

- Provide convenient interpretation services, such as a center.

### EDUCATION/COMMUNICATION

- Improve education, communication, and awareness/understanding.
- Conduct a major study of the issues (prevalence, location and perpetrators) with wide-spread distribution of the results, followed by an intensive community education process.
- Improve communication within industry and between agencies to increase awareness and better coordinate services.
- More access to training opportunities.
- Message: Present Fair Housing positively and explain the benefits of compliance.
- Audience:
  - General public:
    - Education/awareness about the law, discriminatory housing practices (ex: landlord/tenant relations), and how to get enforcement
  - Developers, investors, property owners (including “mom & pop” landlords):
    - Fair housing
    - What reasonable accommodation and modification really is
  - Lenders:
    - How to use government lending and non-profit programs
    - Notify participating lenders when program updates occur (ex: down payment assistance)
  - Violators:
    - Mediation and education should be part of enforcement
    - Give them the opportunity to correct their violation before litigation
- Topics:
  - Housing options for people with various incomes
  - How to respond to questions (federal vs. state protected classes)
  - Real life examples
  - Provide testing information
- Media:
  - Printed materials (ex: guidelines) for industry and public, simple handouts for residents, realtors, buyers and sellers
  - Web-based information source

## FINANCIAL

- Increase funding for more fair housing testing and training.
- Provide funding to make existing homes livable for families.
- Encourage lenders to refer people who have been denied loans to credit repair/counseling agencies.
- Increase number of legitimate, non-profit credit repair/counseling agencies.

## MISCELLANEOUS

- Increase racial and income diversity in neighborhoods. Provide incentives to attract middle and upper income people to certain parts of the city to increase mixed income neighborhoods, bring wealth back to the community, and improve the public schools through better tax base.
- Provide positive reinforcement for those who comply with Fair Housing laws.
- Relax zoning ordinances that limit number of unrelated people in a housing unit.
- Enforce existing policies.
- Support national/state fair housing legislation.

## **SECTION VI. CURRENT PUBLIC AND PRIVATE FAIR HOUSING PROGRAMS AND ACTIVITIES**

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### **ASSESSMENT OF RECENT ACTIONS**

The following plans and activities support fair housing choice.

**“Fair Housing” Ordinance Change.** The City implemented its 1999 Fair Housing Task Force recommendations to strengthen the language of the local “Fair Housing” Ordinance. Section 9.363’s definition of *Source of Lawful Income* now includes Section 8 assistance and Sections 9.857 (1) and 9.588 were amended, shifting the City’s ordinance from criminal to civil, and establishing civil fines for first, second and subsequent offenses. These changes were intended to eliminate discrimination against people using housing vouchers for rental housing and to make enforcement of discrimination more efficient and effective.

**The Fair Housing Center of West Michigan.** The City of Grand Rapids supports fair housing education and enforcement activities through a contract with the FHCWM. Such contracts have been in force, at various levels, since the early 1980s. The 2009 agreement funded housing tests, investigation of complaints, and complaint processing in the GTA, as well as educational and outreach activities to the housing industry, community organizations, and the public at large. These activities are intended to reduce steering, segregation, and mortgage lending discrimination, among others. This is part of the City’s Fair Housing Strategy as outlined in the Consolidated Housing and Community Development Plan and the Annual Plan.

**Master Plan.** The City’s 2002 Master Plan emphasizes the importance of housing choice, noting that “Housing choice should be made available to people of different ages, ethnicity and income levels” and “Home ownership for all income, racial, ethnic and disability groups will increase in many neighborhoods.”<sup>51</sup> The Plan recommends making Grand Rapids a competitive housing location, providing a choice of neighborhood types each with expanded ranges of housing opportunities, encouraging continuous neighborhood reinvestment, and improving walkability.<sup>52</sup> The Plan also emphasizes mixed use neighborhoods and coordinating density with transportation.

**Zoning Ordinance.** The Zoning Ordinance is the regulatory device that implements the Master Plan. A total re-write of the outdated 1969 ordinance was completed in 2007. Fair housing and affordable housing are supported in a number of ways; specifically, the new Ordinance has made it easier for more dense rental development to be built outside the GTA, and provides a density bonus for mixed-income housing projects.

**Code Enforcement.** The City of Grand Rapids funds code enforcement programs that ensure a suitable living environment for Grand Rapids citizens regardless of income, neighborhood, race, ethnicity, or housing type (rental vs. ownership). The Community Development Department specifically funds code enforcement activities in the GTA, where many of the city’s low- and moderate-income residents live and where there are racial/ethnic concentrations.

**Affordable Housing Projects.** An increase in quality affordable housing choices for low- and moderate-income groups decreases their vulnerability to discriminatory practices. The City consistently funds affordable housing projects that produce affordable rental and homeownership opportunities for many residents in these income categories.

**Economic Development.** Increasing residents' economic opportunities can lead to greater housing options. The City's Economic Development Department works closely with businesses and nonprofit agencies to promote the attraction, retention, and growth of businesses within the city limits. The City's Community Development Department funds nonprofit agencies that provide economic development programs in the city, with special emphasis on low- and moderate-income areas. These City activities provide access to tax credits, networking, business skills development, and promote employment opportunities.

**Foreclosure Response.** The City of Grand Rapids participates in this collaborative of government, community and faith-based organizations, lenders, property industry, nonprofit agencies, private sector, legal aid resources and funders. These partners work to stop foreclosures in Kent County through coordinated prevention, intervention, stabilization, and reinvestment activities, including preventing predatory/deceptive lending. Goals include reduced number of foreclosures, educated consumers and property industry professionals, improved housing quality, affordable housing opportunities, increased credit opportunities and better mortgage products, and quality and safe neighborhoods.

**Public Transportation.** In May 2011, citizens approved a property tax increase to improve public transportation services, including bus frequency and night and evening service, and a high-speed bus rapid transit (BRT) line for which federal grants are also being sought. Increased transportation options increase housing options by expanding connections between residential and job locations.

**Rental Property Owners Association of Kent County.** The RPOA is a nonprofit business association that addresses the needs of rental property owners in West Michigan through various programs, services, and benefits. Fair housing training is available to over 1,600 members.

**Lender Certification of Compliance.** The City of Grand Rapids enters into Memoranda of Understanding (MOU) with all lenders who participate in its Homebuyer Assistance Fund and Neighborhood Stabilization Programs. These agreements are made at the corporate level, signed by an officer of the corporation, and notarized. Through these MOU, 18 area lenders have certified that they comply with the Fair Housing Act, Executive Order 11063, Equal Credit Opportunity Act, Real Estate Settlement Procedures Act, and Home Mortgage Disclosure Act.

## **SECTION VII. IDENTIFICATION OF IMPEDIMENTS, CONCLUSIONS, AND RECOMMENDATIONS**

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Based upon the preceding research, six impediments are identified, along with strategies to address them. The City of Grand Rapids intends to implement the recommended actions according to the identified timeframes dependent on the availability of adequate financial resources. The City will provide oversight and monitoring of activities, primarily through contractual agreement with the FHCWM and partnerships with community organizations. Progress will be reported in the Consolidated Annual Performance and Evaluation Report.

### **PUBLIC SECTOR**

#### **1. Enforcement of the Local Fair Housing Ordinance**

**Conclusion:** It is difficult for the City to enforce the local Fair Housing Ordinance protecting source of income. The “source of income” language is intended to help people holding Section 8 rental vouchers obtain housing of their choice. The City is unable to successfully prosecute violations of the local ordinance protecting source of income because City staff does not have personal knowledge of the facts, which is a requirement to sign the appearance ticket for violations of City code.

**Recommended Actions:** Review the existing Fair Housing Ordinance enforcement issue to determine if there is another legal method to enforce the intent of the ordinance by June 30, 2013.

**Responsibility:** It is recommended the City of Grand Rapids Department of Law take the lead in this matter, in consultation with the Community Development Department and the Fair Housing Center of West Michigan.

### **PRIVATE SECTOR**

#### **2. Lack of Education and Awareness of Fair Housing Laws**

**Conclusion:** Roundtable discussions, survey responses, and recent fair housing complaints indicate there is a lack of fair housing education and awareness in the community. Among housing industry professionals, the issue is primarily the need for ongoing training in fair housing. While many have been trained in fair housing rights or have educated themselves, 20% of survey respondents thought fair housing laws were not easy to understand.

Due to the foreclosure crisis, housing prices are low. This has attracted new, inexperienced investors who buy foreclosed houses and rent them. These owners often do not see themselves as professional landlords and do not join the Rental Property Owners Association, where fair housing training is available. As a result, the landlords are not aware of fair housing rights and often inadvertently place discriminatory advertisements on rental web

sites.

Realtor® public multiple listings and other real estate advertising are not regulated. In 2009, the FHCWM found over 90 discriminatory online advertisements, most of which were regarding familial status. Unlike print media, web site staff typically does not monitor the content of their ads for compliance with fair housing laws. Consequently, these venues are less likely to follow laws and guidelines for non-discriminatory language and, indeed, there is legal dispute as to whether they can be held liable for discriminatory advertisements.

**Recommended Actions:** Given the variety of audiences that would benefit from increased education and awareness of fair housing laws, different educational approaches should be developed to provide the most favorable outcomes.

- Provide 150 hours of developing, marketing, and conducting education and outreach to housing industry professionals (such as Realtors®, lenders, developers, investors), housing consumers, community organizations and elected and appointed officials to promote equal access to housing opportunities by June 30, 2012.
- Develop and market a “fair housing school” with a web-based curriculum by December 31, 2012. Topics would include, but not be limited to: discriminatory practices, enforcement options, and reasonable accommodations for persons with disabilities.
- Distribute a minimum of 500 simple-to-understand printed materials about fair housing annually to housing professionals, home sellers and buyers, and the general public for a total of 2,500 by June 30, 2016.
- Use the City’s rental property registration program and/or other creative methods to identify at least 100 property owners and make them aware of fair housing training opportunities by June 30, 2016.
- Provide fair housing training to at least 20 property owners by June 30, 2016.

**Responsibility:** It is recommended the Fair Housing Center of West Michigan take the lead in implementing these recommendations, with the Grand Rapids Association of Realtors®, Rental Property Owners Association, and area lenders invited to participate. To the extent CDBG funds are available, they should be used to support the education effort.

### 3. Language Barriers for Non-English Speaking Populations

**Conclusion:** Census data indicate that 12% of the City’s population (nearly 22,000 people) was born outside the United States or its territories. Nearly 9,500 Spanish-speaking residents do not speak English well or at all. Foreign-born Grand Rapids Public School students most frequently come from Mexico, Guatemala, Kenya, and the Dominican Republic. In the 2009-10 school year, 49 non-English languages were spoken in these homes, in most cases Spanish (86%).

Roundtable discussions indicate that non-English speaking populations in Grand Rapids have a difficult experience when renting or buying a home. While interpreter services are available to a degree, they are not routinely used in the local real estate industry. Furthermore, even when family members attempt to interpret, complicated rental or purchase information is

often not fully understood by the non-English speaking person.

**Recommended Actions:** Interpretation and translation services should be expanded and/or targeted to real estate transactions where the renter or buyer is Non-English Speaking.

- Train 5 interpreters in real estate and fair housing laws to ensure that information is accurately exchanged between the parties to the transaction by June 30, 2016.
- Provide four sessions of fair housing education to the Non-English Speaking population to increase general understanding of these rights by June 30, 2016.
- Apply for one grant to support interpretation/translation services by June 30, 2012.

**Responsibility:** It is recommended the Hispanic Center of West Michigan take the lead in this initiative, with the Grand Rapids Association of Realtors, Rental Property Owners Association, and area lenders invited to participate. Businesses in the real estate industry are encouraged to secure interpretation/translation services for their clients, perhaps through a partnership with an existing nonprofit organization. It is further recommended that the FHCWM provide fair housing education to the interpreters/translators. The City's Community Development Department could facilitate introductions. To the extent CDBG funds are available, they should be used to support interpretation/translation services. Funding should also be requested from grants and the real estate sales, lending, and rental industries.

#### 4. Limited Minority Access to Credit from Prime Lenders

**Conclusion:** Grand Rapids 2002 HMDA data indicate that prime lenders made more loans in White and upper-income neighborhoods than in minority and low-income neighborhoods. Grand Rapids 2005 data revealed that the lending market had a disproportionate rate of subprime refinance loans compared to national medians. Grand Rapids 2008 data indicate that African Americans and Hispanics are given higher proportions of subprime loans than Whites are. It is believed that lenders' patterns and marketing behavior often play a role in where applications are taken and from whom. However, it is not possible to determine, based on the data, if these disparities are the result of discrimination or legitimate concerns.

**Recommended Actions:** A strategy of outreach and education of local lenders, coupled with a follow-up program of testing and enforcement, is recommended to enable minorities to gain greater access to prime conventional mortgages and reduce the use of subprime credit.

- Provide 150 hours of developing, marketing, and conducting education and outreach to housing industry professionals (such as Realtors®, lenders, developers, investors), housing consumers, community organizations and elected and appointed officials to promote equal access to housing opportunities by June 30, 2012 (inclusive of activities under impediment #2). The education program targeting lenders should include information on the disparate treatment of minorities by the lending industry; government lending programs; nonprofit housing options; and other housing services in the community.
- Conduct 65 complaint- and non-complaint-based housing tests to determine compliance with fair housing laws in the areas of financing, sales, rental, insurance, and appraisal by June 30, 2012.

**Responsibility:** It is recommended the Fair Housing Center of West Michigan take the lead in education and testing. Funding should be requested from the real estate sales and lending industries, local foundations, and other grant sources.

## **PUBLIC AND PRIVATE SECTOR**

### **5. Limited Supply of Accessible Housing**

**Conclusion:** Michigan Residential Code governs new construction in 1- to 2-unit buildings, and does not require accessible units. The Michigan Building Code governs construction in larger developments, but does not require accessible units in housing projects less than 20 units. Except in downtown, most residential construction in Grand Rapids is comprised of single-family units or small developments. As a result, there are few accessible housing units in the city. Most existing housing is old and usually needs to be modified to become accessible. Among landlords, terminology such as “reasonable accommodation” can be poorly interpreted, leading to discrimination for people with disabilities or the aging population.

An estimated 11% (20,660) of Grand Rapids’ non-institutionalized residents have a disability. Contrary to some perceptions, disability is not limited to elderly people. In Grand Rapids, there are more people with disabilities ages 18 to 64 than in the disabled senior population, suggesting a market for accessible housing sized for families. Additionally, in 2005 Grand Valley State University’s Community Research Institute suggested that Kent County’s elderly population will double before 2035, supporting the need for more accessible housing for seniors.

In the course of this study, it was recommended that the City establish a higher accessibility standard than that required in the Michigan Building Code. In response, it should be noted that the Michigan Building Code is used by municipalities throughout the State to ensure an equitable and consistent approach to construction regardless of jurisdiction. This is intended to remove uncertainty about the approval process for developers and builders and to keep construction costs down. Furthermore, per State law, municipalities cannot add to or delete requirements to either the Residential or Building Code. The City’s Community Development Department is sensitive to the issue of accessibility and currently suggests modifications on an “as needed” basis in owner-occupied units.

HUD recommends that design, construction, and alteration of housing units incorporate the concept of “visitability,” in addition to other requirements. Housing that is visitable has a basic level of accessibility that enables persons with disabilities to visit friends, relatives, and neighbors in their homes. Visitability can be achieved, at a minimum, with the use of two simple design standards: (1) providing a 32-inch clear opening in all interior and bathroom doorways; and (2) providing at least one accessible means of egress/ingress for each unit.

**Recommended Actions:** Expand the availability of accessible housing by adopting visitability standards and encouraging the implementation of universal design standards.

- Adopt visitability standards for use in federally-funded housing development projects by June 30, 2012.

- Develop a plan for implementation of universal design standards for a portion of the housing units built or substantially rehabilitated with federal housing funds by June 30, 2013. These standards allow aging in place, and would make homes easier to live in now and set the stage for further housing modifications if needed in the future
- Facilitate training on accessibility standards for City for Design and Development Services staff by June 30, 2013.
- Educate City Design Team members on the types of projects for which Disability Advocates of Kent County's (DAKC) Access Specialist referral is valuable by June 30, 2013.
- Implement a system to refer relevant early stage development projects, as appropriate, to DAKC's Access Specialist by June 30, 2014.
- Provide DAKC with ongoing access to information about building permit applications so DAKC may reach out to the developer, design professional and/or builder to offer a low or no-cost consultation on ways to increase the accessibility and usability of the proposed housing units by June 30, 2014.
- Make educational materials available to design professionals, builders, and developers regarding universal design during new construction and major rehab projects. Provide these materials at the Development Center, the City's "one-stop shop" for plan review and permitting, by June 30, 2013.

**Responsibility:** It is recommended the City's Community Development Department develop the visitability policy and a plan for implementation of universal design standards in federally-funded housing projects in consultation with Disability Advocates of Kent County and development partners. It is further recommended the Community Development Department facilitate training for Design and Development staff while the Development Center takes the lead to educate the Design Team. It is recommended the City Development Center work with Disability Advocates of Kent County to coordinate referrals, communication, and printed materials.

## 6. Funding for Fair Housing Activities

**Conclusion:** Discrimination and disparities in housing-related activities exist in the community and fair housing work is still needed. Routine testing and enforcement, combined with community outreach and education, are the foundation of fair housing. Without these tools, voluntary compliance is seriously hampered. However, economic conditions make fundraising difficult. Funding for testing and enforcement, as well as periodic studies on special topics, is a persistent challenge for the community.

Michigan suffers from a poor economy and one of the highest unemployment rates in the nation. Declining tax revenues and the tax structure negatively impact municipal corporations and volatility in the stock market has reduced foundation resources. Although the City's federal entitlement grants have declined while community needs have increased, the City has tried to maintain funding levels for fair housing activities. To do so, in recent years the City has shifted from using CDBG Administration to CDBG Public Service funds, which restricts activities to the City's Community Development General Target Area.

**Recommended Actions:** Continue funding fair housing activities.

- Make available CDBG financial support for fair housing activities to the extent feasible between July 1, 2011 and June 30, 2016.
- Identify and secure increased funding for fair housing work outside the GTA between July 1, 2011 and June 30, 2016.
- Advocate for change to the CDBG regulations so funding for fair housing activities is not subject to funding caps by June 30, 2013

**Responsibility:** It is the City's responsibility to continue affirmatively furthering fair housing. The Fair Housing Center of West Michigan and other nonprofit agencies should solicit funding for special topics, as determined necessary by the Fair Housing Center, from area foundations, private donors, and competitive federal grants.

## ***SECTION VIII. SIGNATURE PAGE***

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I certify that this Analysis of Impediments to Fair Housing Choice represents the City of Grand Rapids' conclusions about impediments to fair housing choice, as well as actions necessary to address any identified impediments.

On file

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Gregory A. Sundstrom  
City Manager

Date

## **APPENDIX A. ROUNDTABLE PARTICIPANTS**

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### LIST OF 2008 ROUNDTABLE PARTICIPANTS

5/3 Bank  
ACCESS of West Michigan  
Bank of America  
Byron Bank  
City of Grand Rapids  
Comerica Bank  
Disability Advocates of Kent County  
Dispute Resolution Center  
Dwelling Place of Grand Rapids  
Exchange Financial Corporation  
Fair Housing Center of West Michigan  
Genesis Nonprofit Housing Corporation  
Goodwill of Greater Grand Rapids  
Grand Rapids Association of Realtors  
Grand Rapids Community Foundation  
Grand Rapids Urban League  
Johnson Center at Grand Valley State University  
Home Ownership Resources  
Family Promise (formerly Interfaith Hospitality Network)  
LINC Community Revitalization (formerly Lighthouse Communities, Inc)  
Michigan Disability Rights Coalition  
network180  
New Development Corporation  
Providence Home Mortgage / Inner City Christian Federation  
Recreational Debut & Omega Life  
Rental Property Owners Association of Kent County  
Senior Neighbors  
Treadstone / Garfield Development Corporation  
West Michigan Long Term Care Connection

## ENDNOTES

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- <sup>26</sup> National Association of Home Builders, Housing Opportunity Index, [www.nahb.org](http://www.nahb.org)
- <sup>27</sup> <http://www.ridetherapid.org/ride/routes>
- <sup>28</sup> National Fair Housing Advocate Online. 24 CFR 100.75 Discriminatory advertisements, statements and notices. [http://www.fairhousing.com/index.cfm?method=page.display&pagename=regs\\_fhr\\_100-75](http://www.fairhousing.com/index.cfm?method=page.display&pagename=regs_fhr_100-75)
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